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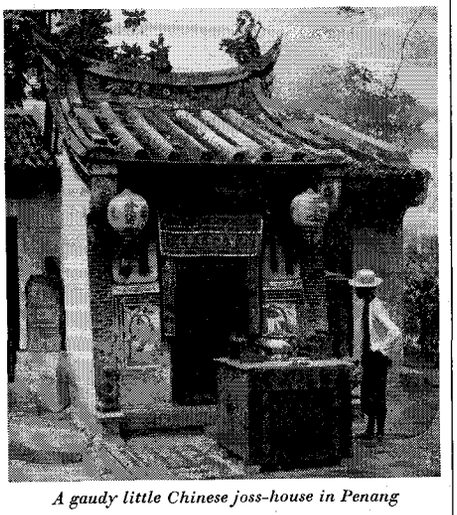

A gaudy little Chinese joss-house in Penang

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We to Man the Ramparts

Sir:

. . . I think I shall allow it to expire. . . . Naturally, I am in favor of you maintaining your right to express yourselves as you choose. All I suggest is that when your general ideas prevail, and the 20 or 25 million destitute finally rebel, YOU man the ramparts. I shall be on my way elsewhere, having gathered in advance a lot of data as to where your stupidities have been leading us.

Yours very truly,
GEORGE H. COREY,
Lakewood, Ohio.

—o—

Who Won the Revolution?

Sir:

You crazy, half educated editors who print these two-bit newspapers and magazines are always sticking your half-brained heads into something you do not know anything about. In your last silly magazine (NEW OUTLOOK, Oct., '34—Ed.) in an article you said George Christians sold shirts in order to make a living out of this organization. You or anyone else who makes that statement are a **** bunch of liars and do not even know what the White Shirts stand for and unless you get your head level and learn something about these international affairs you had better keep your **** trap shut.

I want you to understand it is me and not George Christians who is in charge of the White Shirts, and I don't sell shirts to make a living.

At the end of the economic road of failures, when this country comes into success economically, you bunch of hypocrites will find out the Crusader White Shirts were the ones who run this revolution and who won it. I don't want to hear any more out of you about selling shirts to make a living.

Yours for Economic Liberty,
HOWARD COOK, Commander,
1st and 2nd Division,
Crusader White Shirts,
Chattanooga, Tenn.

—o—

The Next Stratum

Sir:

. . . We, my sister and I, and some of our friends, do not know how we could get along without this outspoken, fearless publication; we wish more of the next stratum of society could be reached by it. It is and has been what we need.

Yours truly,
GRATIN ARNOTT,
Stevens Point, Wis.

He's Tired . . .

Sir:

. . . I am tired of reading the political rot now printed in this Backward Outlook. I am no coward and am not afraid of what this Country is coming to, as you put it.

C. F. WEIDEMANN,
Wilkinsburg,
Pittsburgh, Pa.

—o—

For a Free Press

Sir:

I enclose check for $3.00 in payment for another year's subscription. I very much appreciate your publication. The Press in general in the United States is thoroughly prostituted and nearly always on the side of those in power no matter how bad or foolish they may be.

Your publication it seems to me from the beginning has been in opposition to the insane tyranny which is now dominating the Federal Government.

WM. H. WILSON,
Houston, Texas.

—o—

It's O.K. with Us

Sir:

. . . I have been debating on what to do. I have been a reader of the OUTLOOK for more than thirty years. Of course, the change of editorship from the old and conservative Abbott was something I had to get used to, like a lot of other things—that have changed—the two that affected me most was from dry to wet and from Independent Republican to Democratic. I feel that the magazine has improved in the last 6 or 8 months. You have been touching on some things mighty vital to the welfare of our Nation. And it is for this reason more than any other which decides me to remain a little longer on your lists. Trusting that this will be O. K. with you.

D. C. SWANSON,
Paxton, Ill.

—o—

Except for These Reasons . . .

Sir:

Let me congratulate you on your noble stand for justice and honesty at a time when both have almost vanished from the land, and the straight and narrow path is never seen and seldom heard of. If we are engaged in an economic war against Europeans to bring them to their milk, then and there I am with Roosevelt to a finish for we are sure to win hands down; or if it is a war between the pound sterling and U. S. dollar I am at the side of the dollar till the last dog is shot. Except for these reasons I fail to see any justification for Roosevelt's squandering of the national credit whilst de-

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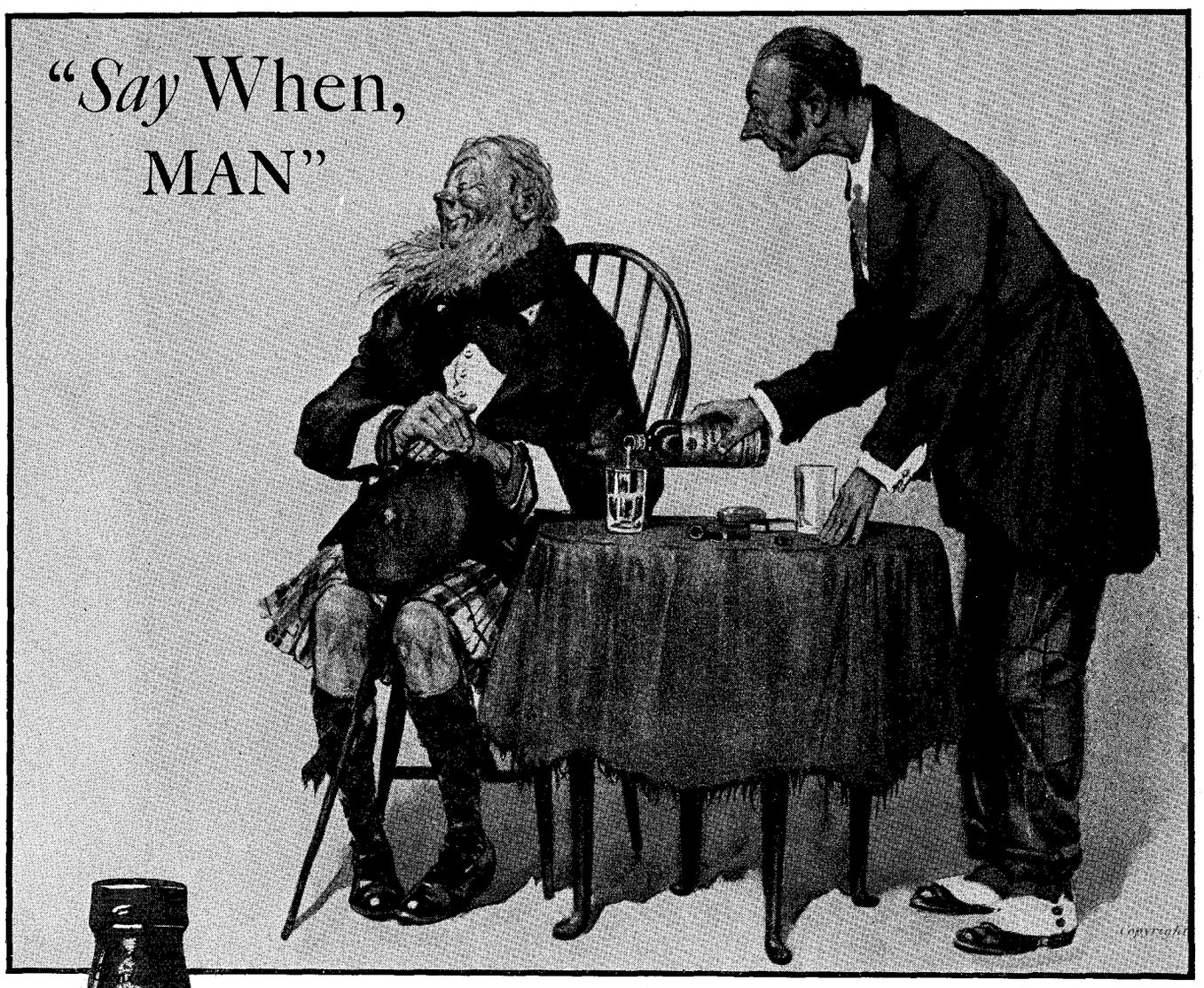

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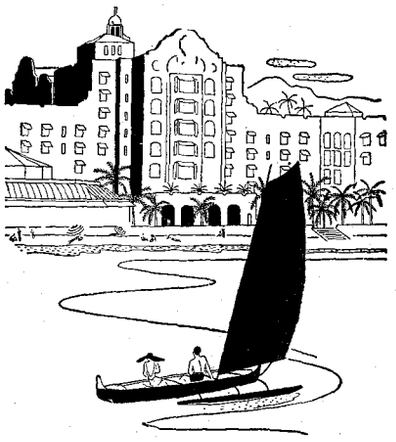

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ROSICRUCIAN BROTHERHOOD, San Jose, Calif.

faultering in the payment of principal and interest of the national debt. It is evident that Roosevelt thinks it is sufficient to call in Fourth 4¼ Liberty Bonds (to be redeemed with worthless paper when the written contract calls for redemption in gold coin of the U. S. of what was at that time the present standard of value which is 25.8 grains of gold 9/10 fine to the dollar) thus also thinking that he can avoid paying interest on the bonds called but not turned in for payment because there is no means to pay or accept payment for the bonds, but there is no law authorizing him to refuse payment of interest on the bonds in paper currency till the bonds are redeemed according to written contract, yet that very thing is what he has done. If the law courts sustain such attempts at sharp practices on the part of Roosevelt they can't deny the right of the millions who have borrowed billions of dollars from the various instrumentalities of the government also to repudiate their debts, both principal and interest.

To sum the situation up in a nutshell, Roosevelt is in the position of a fly caught in a spider's web, the more he struggles to extricate himself the more involved he gets; truly the ways of the wicked are hard.

PATRICK WRIGHT,
Custer, S. D.

—o—

His Encouragement. Our Thanks.

Sir:

Every issue of NEW OUTLOOK emphasizes its worthwhileness among present-day periodicals. It was always good (we have been subscribers for more than a quarter of a century) but for thought-provoking contents it is superlative among the magazines coming into our home today. Its fearlessness in daring to print articles that show up facts as they are, demonstrates unmistakably they have not been dictated or rubber stamped by Washington. Sometimes we have felt the old free spirit of Americanism was too paralyzed to function any more of itself. You encourage our hearts.

I am probably the only member of the Virginia clan from which I sprang who ever voted anything but the straight Democratic ticket, but the "New Deal" (and its Dealers), were a little too much to swallow in 1932. Now with the Democratic Donkey marching to the tune of the "Third Internationale" in California, one wonders whether Thomas Jefferson, himself, wouldn't hesitate to align with the Party he once sponsored.

Well, it's a great world, even if most of us do seem to be as out of step as the figures on the N.R.A. three-cent postage stamp. May the "powers that be" send us a tuneful piper for 1936 who can line us up for something in the nature of constructive government and sanity. Few of us will have anything left to contribute to his campaign funds but "goodwill," however, by that time.

We never fail to recommend the NEW OUTLOOK to *thoughtful* people.

Very truly yours,
M. B. SNOW,
Riverside, Calif.

Men of Space

Sir:

Yes, this is another one of those letters about Ugo Andres' October article, "Men of Space." No doubt your desk has been flooded with such missives from other "rocket bugs" who happened to read it.

As you have surmised, I'm one of those. Beyond a doubt. Just as are others who happen to be liberally minded. But Mr. Andres has certainly hit the nail, with that. I want to congratulate NEW OUTLOOK for its honest view of this much perplexing matter. (Perplexing to some.)

However, I venture to say that ——— or the ——— would not have given us that article. Why? Because they are not broadminded enough. . . . Too bad Mr. John E. Rice thinks the NEW OUTLOOK is a narrow Outlook. Frankly, I disagree with him. The fact that NEW OUTLOOK can print such articles as "Men of Space" proves beyond a doubt that really the NEW OUTLOOK is a *BROAD Outlook.*

LEWIS F. TORRANCE,
New York City.

—o—

"The Fallacies Will Be Exposed"

Sir:

I greatly admire your fearless and independent articles and editorials which, in my opinion, are especially valuable at present because of the apparent unwillingness to criticize measures which any student of history knows are bound to fail. More and more I am beginning to feel that our system of government is being changed without many people realizing it and the more light is turned on by a publication like yours, the more quickly the fallacies will be exposed.

There has been so much "ballyhoo" about what is going to be done with some of these measures like the Federal Housing Projects, Unemployment Insurance, Inc., that I am hoping articles discussing these subjects *pro* and *con* will appear in forthcoming issues of your publication and also articles *pro* and *con* on the unnecessary ventures of government in business competition with its citizens. I note it is now proposed to establish a Federal Radio Service!*

Very truly yours,
A. C. WATT,
Jackson Heights, N. Y. C.

—o—

Land of Plenty

Sir:

I have perused with great interest the three articles in the August, September and October issues of your magazine by Robert R. Doane, and entitled respectively, "But Is It A Surplus Economy?" "The Parable of Plenty," and "The Turn of a Screw." . . . I am a Republican, but considerably out of sympathy with the cast of mind which has recently dominated in the party councils. Within a very limited field, I have been doing my utmost to secure from the local party heads a statement of principle and a definition of policy, all however without much result to date. . . . Mr. Doane's articles are, in my opinion, just about the

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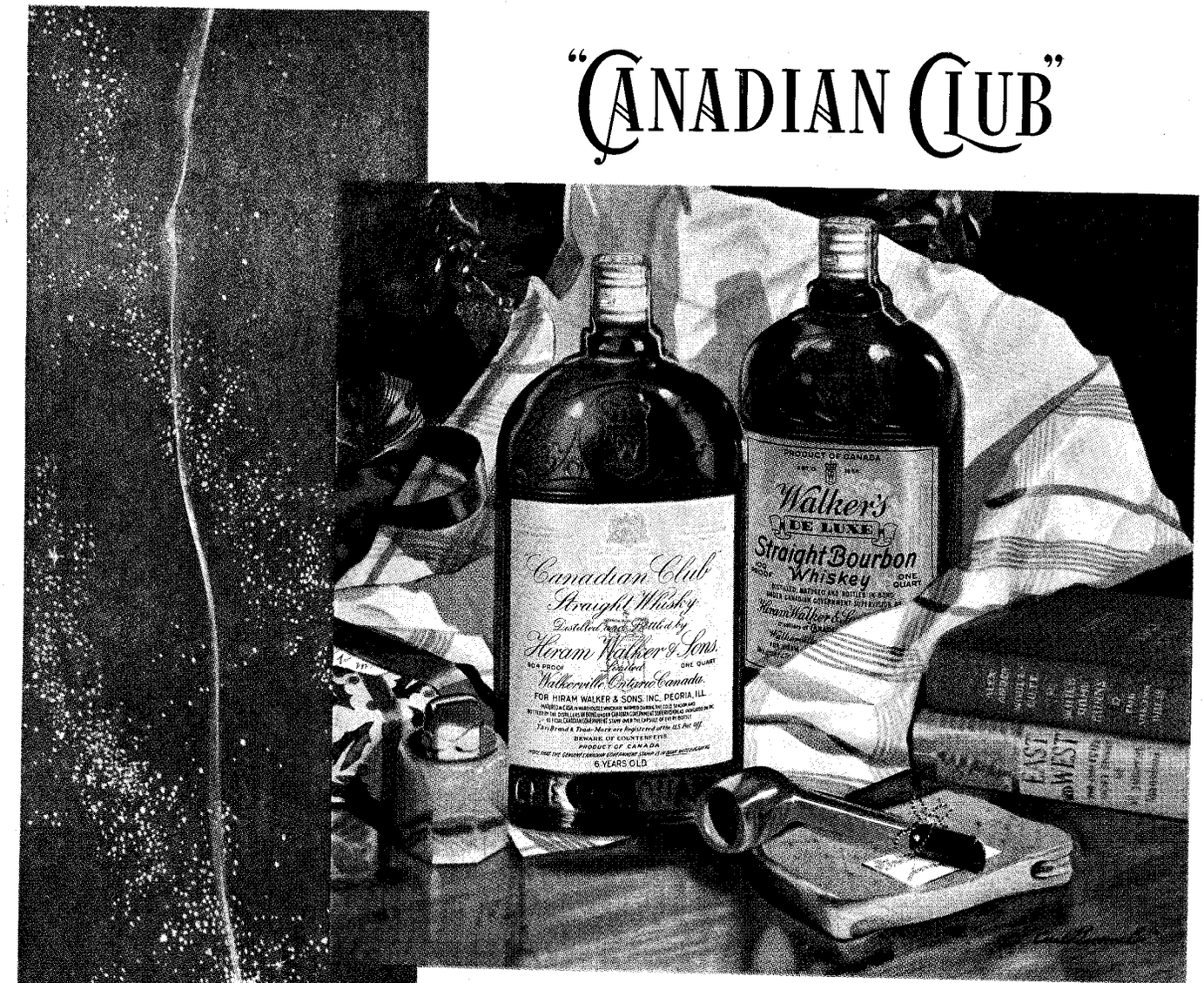

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Respectfully yours,
D. W. OGILBEE,
Casper, Wyoming.

—o—

Head, Neck, Toenails

Sir:

We are not interested in the NEW OUTLOOK for the reason it is against the administration at Washington, D. C. We are for the administration head, neck and heels, tooth and toenail.

The liberties NEW OUTLOOK cries about, are all nonsense. They are in reality license for selfish purposes, and a license is not a liberty. The International Bankers want to go on selling the American people a lot of worthless foreign bonds again and they can't do it. That is one of the liberties that has been dehorned and there is a lot more of them to be dehorned just like it.

Very respectfully yours,
J. S. MICHAEL,
The Michael Seed Store,
Sioux City, Iowa.

—o—

Is She?

Sir:

Somebody ought to tell Mr. Hy Chamberlin that whenever we want to know what goes on in Soviet Russia, we go to the wrong place to get facts, when we depend upon anyone whose system is saturated with the viewpoint of the newspaper he has worked for for so long.

Practically everything he said in "Behind the Soviet Mask" (NEW OUTLOOK, Sept., '34), has a duplicate, or a parallel in this and most other major nations. Any fool can find flaws in each one of our 48 states, so why pick on those poor downtrodden Soviets and their advanced thinking leaders? Let 'em alone!

Voltaire was right when he declared, "Kill that infamous (priesthood) thing!" We want millions of teachers, but not single pulpiteers. Mexico is now pointing the right way out.

Yours truly,
G. H. HELLEN, M.D.,
Cincinnati, O.

—o—

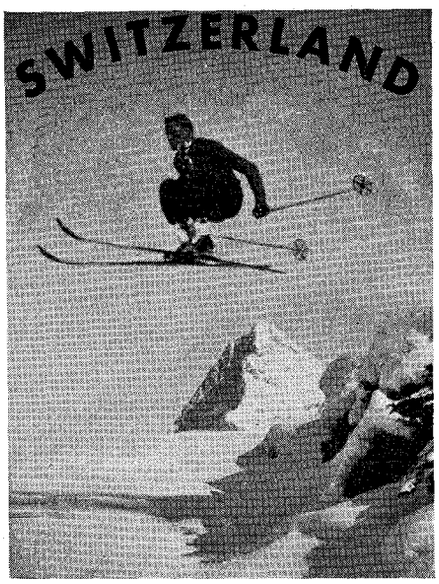
Kubla Khan Did the Same

Sir:

I have been a progressive Republican for 38 years and never voted for a Democratic President except for Franklin Roosevelt. I am for Roosevelt and the New Deal, and Roosevelt will go down in history as the President who took our money out of Wall Street banks and put it in the U. S. Treasury, where it belongs. If you will read Marco Polo's Travels you will find that Kubla Khan did the same thing and issued paper money for the gold and silver and created the greatest empire in the world.

Roosevelt holds the ace, while you fellows hold the deuce.

(*Continued on page* 59)



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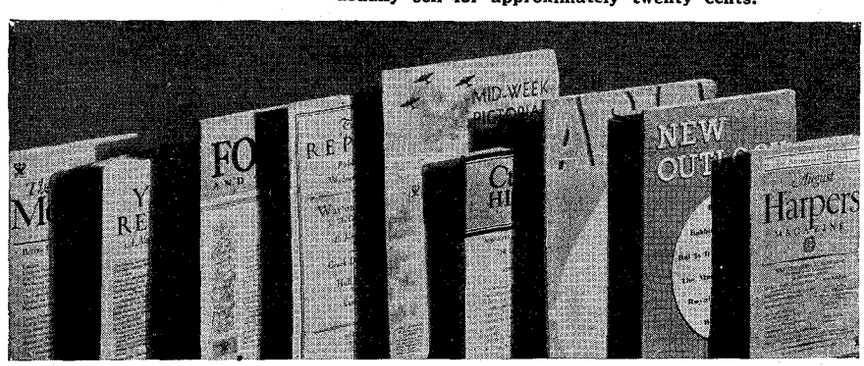

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Volume 164

Number 6

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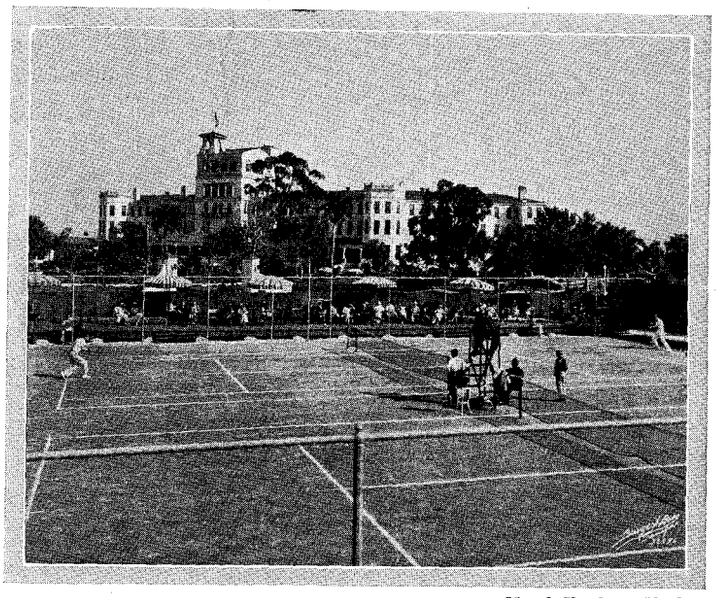

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NEW OUTLOOK

EDITORIAL

Man in the Rain

IT IS NOT in the nature of the voter to study the effect and all of the possible consequences of his patriotic duty as performed on the morning and the afternoon of the first Tuesday after the first Monday in November. Yet that effect can be measured in degree as much as in kind, and if in the doing of it he confers immeasurable power, it is too often forgotten that he is a god of a kind who does not know his own strength. This time he has permanently moved a great domed building from one end of Pennsylvania Avenue to the other, has precipitated the Legislative into the Administrative branch of the government and removed the people's elected leader from the friendly guidance of checks and balances and placed him alone upon a storm-swept pinnacle.

There is loneliness in supreme power (there lies one of its major tragedies) and it has already become nothing if not trite to speak of the effect of the recent mid-term election as a grant of power such as has been bestowed seldom upon a President of the United States. It was a cheery order, given carelessly in a fashion to make light with joy the hearts of all who still believe in constitutional procedure, to *"Carry on!"*

But this is merely a covering for a great tragedy which may be hidden beneath that early November snow of millions of "Yes" ballots which so recently drifted across the land. No one is more aware of this than the President of the United States. He saw the danger even before the campaigning was concluded, and became increasingly cautious and even downright noble in refusing to place unqualified approval upon this, or upon that, candidate.

The American electorate, in a misguided belief that they have done their President a great service in sending all of his friends to Washington to help, with a chorus of "Yeses," to run the government in shipshape, dictator fashion, have done much more than that, for now any one of several things can happen in the new, overwhelmingly Democratic Congress. Numerous, hasty polls have been taken to reveal what these may be, to what degree any or all may come to pass. Does it mean that the country has definitely turned to the "Left" or is it still in the middle of the road? Can the President control Congress and particularly those extreme Leftists which he was, for political reasons, at no great effort to keep out of it? If Congress turns and fights, which it may in a headstrong determination to go yet further to the Left, the Chief Executive will be totally without that justifiable alibi: the right to blame the failure of smooth government upon a misbehaving party of the Opposition. He must accept then the inevitable taunt, "Well, they're your friends, aren't they?"

But if the new Congress, out of gratitude in achieving the sanctuary of Washington under the white flag of the New Deal, decides to show its appreciation by turning itself into a rubber stamp, then the tragedy indeed will be complete. It will mean that for two more years at least, and contrary to the intent of the Constitution, both the Legislative and Executive branches of the government will be housed in the same building, directed by one man.

A dispassionate observer who will trouble to look behind the gay and orderly voting of November and beyond to the possible consequences cannot fail to see the tragedy inherent in any of these eventualities. It drapes a mantle of power upon the broad shoulders of the Chief Executive and creates a supremely tragic figure which must walk on alone, through the rain, down the road of broken promises, toward the horizon of Inflation.—F. W.

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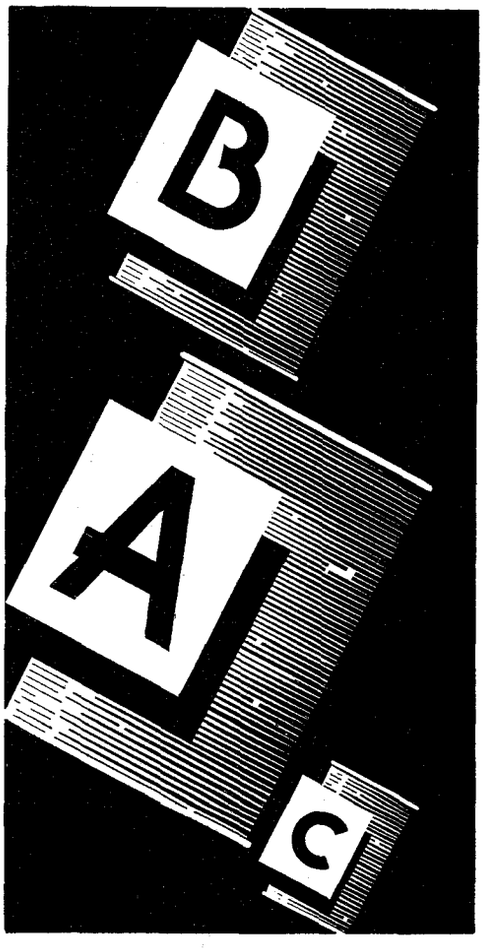
Winning a Government "A"

by E. Eric Jamesen

"Standards by government edict" popularly translated into a phrase of collegiate sport activity as that of "winning a government A" is a little understood objective of New Deal planning.

Will a humble can of peas become another symbol of government experimentation?



A TRUCE is not in itself a final stage of any activity in which opposed forces have been engaged. If we concede comprehension of the first term, the entire compromise which up to this date has been effected between the White House and two of the largest forces on the front of individualized effort in America may be defined in some such Will Rogers fashion as this: "A truce is a truce." Exactly that, and nothing more.

If President Roosevelt had bothered to dip into his unabridged *Standard Dictionary* before seeking to resolve the impasse toward recovery which the New Deal alone has forced upon the Nation, he would have found:

TRUCE 1. An agreement between belligerents for a temporary suspension of hostilities. Truces are either partial, limited to particular places, or forces; or general—extending to all places or all belligerent forces.

Now the kind of sharp politics practiced by the White House has left a very definite, and equally erroneous, impression with the American people that the truce between that of New Deal planning, which is tepid, half-hearted Left Wing Socialism motivated purely by politics, and that of rock-ribbed democracy, upon which the original thirteen colonies were consolidated, was sued for in one-sided fashion by the leading representatives of private banking and private business. The facts are that before proposing any such truce, the White House manipulators were, in their superior wisdom of moulding public opinion, at great pains to leave the impression with the American people that desire for recovery was a virtue possessed alone by the New Dealers. The maintenance of such a viewpoint, of course, necessitates the careful ignoring of a series of obvious and indisputable facts, which include the following:

(1) That no one in America voted for the New Deal as we know it today and which completely repudiates the Democratic platform of 1932;

(2) That Herbert Hoover was voted out of office because he was not achieving recovery fast enough;

(3) That no one group desired recovery more urgently than American business;

(4) That the New Deal, upon the indisputable evidence of League of Nations statistics, has been for a year and a half retarding recovery in America;

(5) That American business and industry, the most tolerant and patient sufferers of New Deal experimentation, comprise the first group to recognize the error which the American electorate had made on November 8, 1932, and that that error could not be corrected—short of revolution, which no one except the "voices" to which Gen. Butler has been listening, desires—until 1936.

Here then are the major factors upon which the Ad-

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ministration at Washington has to date drawn up terms of "a truce" with those forces of American business which are represented by the American Bankers Association and by the Chamber of Commerce of the United States. In neither of these has the New Deal made any concession; and in one of these it has failed already to keep at least an implied promise.

What has brought about this seeming victory for the White House is nothing less than the successful operation of shrewd, ward politics. The Democratic politicians who were victorious in 1932 promised, before that victory was given to them, to restore prosperity to America through the maintenance of a sound currency; by balancing the Federal budget, and through a reduction of unemployment. None of these things has been done, as any school child knows. On March 4, 1933, the successful politicians of the campaign of 1932 undertook to achieve recovery by a program which ignored all of these planks. In the fall of 1934, after eighteen months of bungling, they called upon American business to stop its "carping criticism" and to agree to a truce. The only olive branch, and it was purely mythical, which the Administration offered, was a half-hearted promise to "turn to the right."

Before proceeding further to a disclosure of the possible consequences of this strange wedding of wind and water, we may digress for a moment to consider in what manner the President has observed the temporary truce which he called for between the bankers and the Administration. Can it be termed a fulfillment of the promise to "turn to the right"; or even as pursuit of a middle-of-the-road course, that immediately after the effecting of that truce he double-crossed his friends, the money changers, and proceeded to appoint Marriner S. Eccles to the Governorship of the Federal Reserve Board? That appointment is a complete ignoring of all promises to compromise and is a confirmation of the worst fears of American private banking. Mr. Eccles has never had anything except complete scorn for those who believe that sound prosperity can be achieved only by a balanced Federal budget. He is a sincere disciple of the "Keynes theory" that America can spend her way to recovery. And although the President in his preparation for the groundwork for a one-sided truce with the bankers was at considerable trouble to make it clear that he had no interest in that most radical thing: a central bank, Mr. Eccles is on record as being in favor of just such an extreme experiment, in the following words: "The Government controls the gold reserve, the power to issue money and credit, thus largely regulating the price structure. Through its power of taxation it can control the accumulation and distribution of wealth production."

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Now what has happened here, in the case of the banking truce, may be taken as admissible proof of what may occur in the larger and more significant truce which was subsequently negotiated between the White House and the Chamber of Commerce of the United States.

A shrewd, and presumably unbiased, Washington commentator remarked on November 19, 1934: "Business will be compelled to surrender on some mighty big issues before this latest armistice becomes a formal peace . . . . "

The average American who has been consistently deluded by the New Dealers into believing that he can have his freedom and eat his prosperity (at government expense) should pause and consider the significance of this observation.

Some light on the real source of the radicalism to which he is being treated today may help to a clearer understanding of the fate into which he is now about to be plunged. For the sake of making easier and more understandable the tight-rope walking act which the Democratic Administration has been forced to perform since taking office, the impression has been left that the "reform," "reconstruction," and "radical" features of the New Deal program have all come from some vague and undefined quarter outside of the White House. The hand-fed, with flattery, members of the Washington press corps know better than this. They know, though they never publicize it, that in thought and in action, be it considered or otherwise, few of the Brain Trust advisers of the President move or dare to function in a field of thought as far to the Left as that in which their Chief himself cavorts.

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The real radicalism of the New Deal, so much of it impractical, so much of it dishonestly *pooh-poohed* in the friendly fireside speeches, is of a nature and origin which cannot honestly be offered in trade in any so-called truce with conservatism. There is certainly no evidence that the effecting of any such truce between democracy and New Dealism means the giving up of any plans by government for government control and for national collectivism. And it is to be noted further that in their, to date uninterrupted march to this unconstitutional goal, that that which the New Dealers have not been able to accomplish by Congressional acts and through parliamentary discussion and rule, they have frequently sought to get through the extra-legal powers which have been ear-marked as an "Emergency."

And now first among these must be listed an effort properly tagged *"Standards by Government Edict,"* of which we will hear much in the immediate future. This indeed may be classed as one of the "mighty big issues" on which "business will be compelled to surrender before this latest armistice becomes a formal peace."

"Standards by government edict," for the purposes of popular understanding, may be translated into a phrase of the current season of American football activity as that of "Winning a Government A."

The significance of this movement, which is typical of that larger effort towards regimentation of an entire nation, may not be grasped quickly by the *new* forgotten men of the New Deal, the consumers. The drive to force it upon an important section of American industry has been under way for some time, but this fact apparently was forgotten in the intensive bargaining which accompanied the Administration's latest "truce" with Business.

But more important: this is a thing which concerns not only the producers of all consumers goods in America but it also effects those who make nationally worthwhile the production of such goods under a private profit motive system, namely all the consumers. The scheme may be explained as that of a system of A, B and C grading, an examination to this end by government inspectors of all goods to be consumed by America's 126,000,000 citizens. It is seemingly just as simple as that; and as is the case in so many other instances with the ideas approved and included in the New Deal Plan, it was this quality of seeming simplicity which first made its appeal to the collegiate Brain Trusters who have been in such diabolic haste to

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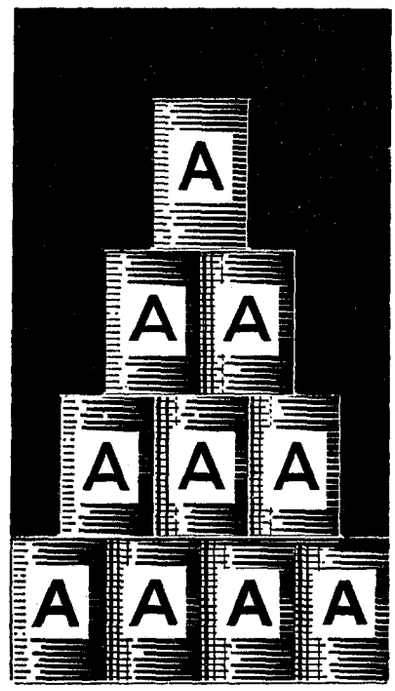
"make over America." In full and complete operation the idea is nothing more than this: that when next you, as a consumer—and whatever else we are, we are all consumers —set forth to buy a new suit of clothes, a smoked ham, a radio, a can of peas, or a pair of baby's shoes you would have to guide you, prominently stamped upon the product of your desire by your all-benevolent government, an alphabetic symbol—"A," "B" or "C"—which would tell you instantly what kind and grade of goods you were buying. That ideal situation would in all probability floor you to the extent of destroying your natural suspicion that such service could be rendered only at enormous taxpayer cost, only through the maintenance of a new army, half a million or more strong, of government paid inspectors, whose functioning would be subject to every conceivable kind of political graft; and finally that this seeming ideal, if it were practical, might ever have been considered by private industry.



The drive toward this impractical, collectivist objective, wherein the government would undertake to certify the "trade quality" of every item of consumers goods, has already been launched in at least one field of preserved foodstuffs, specifically that of canned goods. The steps in the attempt toward the achievement of this unconstitutional goal are worth observing. It was first sought in a minor legalistic detail of the so-called Tugwell Bill, later named the Copeland Pure Food and Drug Act and defeated under that name in the U. S. Senate. Perhaps it should be made quite clear to the uninitiated right at this point that the certifying of "trade quality" by a series of government seals such as "A" "B" and "C" has nothing whatever to do with the purity of the product contained in the can. Regulations already exist for criminal punishment of those who may seek to preserve and dispense canned impure foods. The stupidity, if not the danger, of incorrectly thought out legislation becomes apparent when an impractical and unenforceable method of "trade standards" as opposed to "consumer standards" (pure food) is given basis in a criminal statute.

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Now when the "trade standardization" feature went down to defeat in the new pure food act, in which Dr. Tugwell sought practically to rewrite the entire Constitution, the effort was promptly transferred to the Washington playing field where the NRA codes for the canning industry were then being booted about. This it should be noted has been a common procedure of all New Deal reform affecting business—when you can't get what you desire in the fair manner of parliamentary action—jam it into code hearings.

So the New Dealers sought next to have standardized grading and the marking of canned goods made a feature of every code covering the numerous fields of preserved, perishable foodstuffs. It was to be studied and worked out independently, over and over again, in the making of the code for the canning of white corn, in the code for yellow corn, in the code for cling peaches, in the code for free peaches, sliced peaches, half peaches, asparagus tips, asparagus stalks, etc., etc.

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When the impracticableness of this finally dawned tentative approval was given to the canning industry's general code of fair competition with the added proviso that within ninety days of its signing and promulgation the industry was to be back with a plan covering all grade labeling, a problem upon which the industry had then been working for twenty-one years!

The gigantic, if not impossible, task of grading consumers goods according to a fixed standard is perhaps easiest to grasp if consideration is confined solely to canned goods. However, at a recent industrial round table discussion in New York City of this whole question, it was shown clearly that the consumer's interests would in no way be protected if the powers in Washington took to awarding the government "A" to babies' shoes—the "A" only to go to such coverings for ten, tiny little toes as could prove that they were strictly all leather.

Officials of the Chamber of Commerce of the United States are fully cognizant that the present trend of government thought in no sense intends to confine the sport of winning a Government A to the canning industry. In March of this year, the Chamber issued the following warning:

"Some of the proposals that have been made for dealing with standardization of consumers goods contemplate every conceivable product that enters commerce. In one form it is proposed that broad powers should be given to an existing, or a new Federal agency, to fix standards for everything the consumer buys. Manufacturers would be required to produce goods according to government specifications. Consumers would be educated by government propaganda to buy only goods produced according to these specifications."

The idea of the standardization of products is not new. The movement, self-sustained within the industry, has naturally been greatest in the field of industrial goods, i.e. those goods going into the manufacture of other products, which are then termed consumers' goods. "Purity of product," which the reform zealots like to believe is the sole justification for standardization and grading was not the reason for the forward surge of this movement when it was left alone in private industry. It was forced largely by economy, through a desire to eliminate waste.

In 1921 the Federated American Engineering Societies published a report *"Waste in Industry."* It particularly directed attention to the need for increasing the efficiency of American business. The result was that individual business set up research laboratories and the Federal Specifications Board was organized to develop specifications for the purchase of government supplies, and the Bureau of Standards turned its attention to work of this

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nature on behalf of the Board as well as for industry.

The Bureau, both in coöperating with industry and assisting the government in its purchases has been an outstanding government achievement. Industry, however, did not depend solely upon this government agency. It set up its own agency, the American Standards Association. So effective and reliable was the work of this private organization that it was finally decided to transfer the commercial standardization work of the Bureau of Standards at Washington to the American Standards Association in New York.

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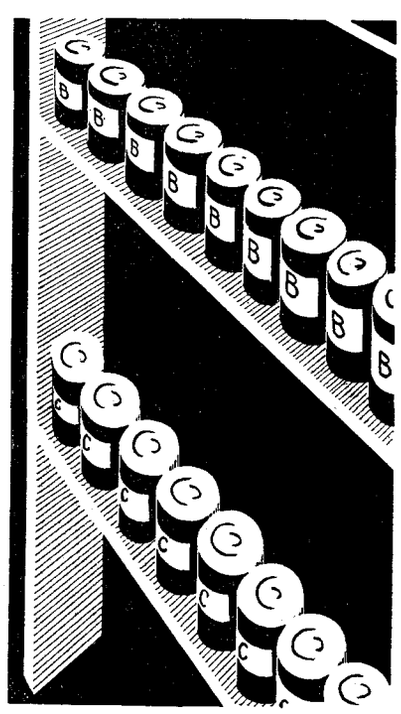
It is interesting to note the comment made in the summer of 1933 upon this move by the Secretary of Commerce, a comment very evidently not dictated, nor could it ever be approved, by the Brain Trusters:

"When our Economy Committee came to examine the budget of the Bureau of Standards, it reached the conclusion that the commercial standardization work of the Bureau, because of its value and importance to industry, was a type of work which industry could properly conduct by its own efforts. *It is in my opinion a good governing rule to follow that whatever industry can satisfactorily do for itself should no longer be done at the expense of the taxpayers.*" The italics are all ours.

So much for the movement toward the standardization of producers' goods, dictated by economy largely and with quality, as always, taken care of best through respect and maintenance of the value of trademark and the free interplay of price and competition. But the work to develop standards, and here is meant trade standards, for consumers goods was not neglected.



As early as 1913 a group of conscientious workers in the canning industry set out to develop a system of standards, a system which would permit the retailer to be able to say to Mrs. Housewife, "Here is a can of corn, which the canning industry guarantees meets this certain standard, and here is a can, a little cheaper, which is substandard." The pioneers set to work modestly on peas. In a short time they had discovered, and shall we say isolated, some sixteen different grades of peas, all of them being canned in different parts of the country, all of them meeting the pure food requirements. A score of years later they were little nearer their objective, little nearer omniscience, where they could say, "This pea and this pea alone wins the Government A."

The most important factor in such grading which is seemingly absolutely indeterminable is that of flavor. Who is to say that this one pea, not unlike some other pea in size, in color, in training and handling, is alone entitled to a Government A because it alone possesses the *right flavor?* What is the right flavor, who is to pronounce the ultimate, final verdict? Well, under the government's tentative plan some twenty to thirty-five thousand politically appointed inspectors who would be sent into every American cannery would become the nation's arbiters on the flavor of our foodstuffs as canned today. At least it is assumed that some such corps of inspectors would be required in the canning industry alone if trade standardization were to become a function of government. But if some higher and more centralized authority were to become the official U. S. arbiter of taste, it is not difficult to imagine a day in court for some pea canner about to be sentenced to five years in jail because one of his containers marked "A" failed to produce that all essential, if ever so elusive, "perfect flavor" which alone would entitle him to pin an "A" on his product. What's the answer? The canning industry could not find it in twenty-one years. The economic agricultural intelligentsia of Washington told them to produce it in 90 days!

Let us imagine as achieved the day of trade produce grading by the government. We go to the grocery to buy some canned corn. There on the grocer's shelf is our favorite, call it Black King. Good old Black King, at 18 cents a can, is sporting as we knew it would, its Government A. But right along side of it on the same shelf is the Brown-White brand for 14 cents, and it too is marked with "A." Now it is true that the consumer did not have to wait until the government set up a system of standards to "get wise," as it were, to the possible bargain in Brown-White brands. But will the seemingly identical "A's" tell the same story? Will in the last analysis there be any assurance that the awarding of the highest government approval to both or either brand was strictly honest?

The identical "A's" do not differentiate sufficiently, particularly if the system of grading is carried out without a percentage merit for flavor, as must eventually be done. In this instance they do nothing except confuse the buyer; they seek to work contrary to a carefully built up sense of selectivity on which the careful buyer prides himself, and impose instead a charge that the buyer is merely extravagant in preferring Black King at 18 cents when he can get "something just as good—Brown-White brand at 14 cents."

But is it just as good? There are reasons to suspect that it is not, even if the system of grading and awarding, under a political machine, were perfectly honest. Grading products as *"Up to Government Standard,"* namely "A," fails to take in Quality, or Super-Quality goods. Black King comes from a cannery which has sought always to capture only the quality trade—a trade carefully nurtured with honest advertising: *"Costs More. It's worth it."* But here come the remakers of America bent upon the destruction of this specialized business. What will the eventual effect be? That should be easy enough to see. The government system of grading will tend to give an unfair sales advantage to the fourteen over the eighteen cent brands; effort in the top ranking canneries to achieve that extra special quality will be deprived of its just profit. The eventual result will be, in that day when we buy goods not by established trade names, but alone by government "A," "B" and "C" seals, *that the quality of canned goods will be reduced to the lowest standards possible to achieve the desired government rating.*

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In studying all of the theoretic schemes of the New Dealers to make over America it is surprising how often there is encountered the same identical fallacy, namely that of failure to think through to logical conclusions and to all the possible consequences. If Grade "A" is to be as high as it should for any given foodstuff which can go into a can it is conceivable that whole areas now engaged in the production of this particular agricultural product might be dropped into a lower class, and the producers, namely the farmers, would be the sufferers. In that eventuality politics and graft no doubt would be able to straighten out the difficulty.

But the contrary may also be true, in fact has already proven itself not only probable but possible. Under the McNary-Mapes amendment to the Federal Food and Drugs Act, the Secretary of Agriculture was authorized to promulgate minimum standards for canned foods. This amendment was sponsored by the canning industry. Standards and grades besides those authorized by the amendment have been set up for other food products, such as fruits, vegetables and meat. Now under the McNary-Mapes amendment, which is limited to the establishment of a single minimum standard for each kind of canned foods, the Department of Agriculture has been able to fix minimum standards for six products only. Although this small number is due in part to limited appropriations, it is also due to practical difficulties encountered in arriving at standards that might be acceptable and enforcible. But what has happened is this: The Department, to avoid serious disqualification and handicapping of certain areas, has been obliged to fix minimum standards so low that canners in some sections of the country complain that certain commodities now fulfill the requirements which formerly were regarded by the canners themselves as sub-standard.

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If we take the extreme proposal of the New Dealers, namely (again we quote the Chamber of Commerce of the United States), "that broad powers should be given to an existing, or new Federal agency to fix standards for everything the consumer buys," it is not difficult to imagine our retail stores of the future filled with goods devoid of the marking of the standard brands of today, and simply tagged "A," "B" and "C," if those are the three grades to be used. It is difficult to see how at least the long established quality brands could survive against such competition. The fact that volume sales of these brands has been maintained through consistent promotion and advertising and that that volume sale makes possible the profit in supplying superquality is presumably a factor of no interest to those leading Brain Trusters who believe that advertising is a waste and an unnecessary burden upon the consumer. The inconsistency of their viewpoint becomes immediately apparent when it is recalled that in the New Deal proposal already quoted, *"Consumers would be educated by government propaganda to buy only goods produced according to these specifications."* Perhaps the government printing press runs for nothing. Perhaps the good planners do not know that the ultimate consumer, in some way, is always in the last analysis the taxpayer—in some form or other. Or perhaps the difference is solely in the question of who uses the all important instrument of propaganda. It is difficult in any event to find much sense in such a system of thinking.

One wonders in a world of consumers goods simply marked "A," "B" and "C," be they baby shoes or grand pianos, how great would be the incentive, (the competitive value of a long established trademark being immediately set at naught), for everyone to jump into the manufacturing business. But how quickly then we would have fulfilled the long dreamed of (by the planners) utopia of over-production! And surely the summary destruction of trademark values in consumers' goods would entitle the proprietor to some redress under the claim of destruction of property without due process.

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Within the industries which most easily, and under the influence of false logic, might be the first to become subject to a program of government control through grade labeling, there has already developed an organized opposition to the government program. In most instances the defense has become articulate through the threatened danger to the value of private trademarks, but even in those instances where the viewpoint is most enlightened there is a decided tendency toward that common form of myopia which fails to see the forest for the trees.

It seems that one might reasonably inquire what the government, in the last analysis, is doing in this particular field anyway. The evidence is contrary to the claim that the consumer's interest is being protected or that his condition will be in any way improved. As has already been pointed out, there is an easy opportunity to confuse the real objectives of this New Deal plan in the possibility of confusion over the term "trade labeling" and "consumer labeling." The latter, concerned primarily with the question of public health, is indispensably a function of government. It is perhaps for that reason that the New Dealers sought first to achieve this next step in "government-control of everything," through the instrument of a new pure Food and Drugs Act. It has already been made clear that the labeling project of the government, in the last analysis, could be made a destructive instrument against privately owned trademarks and against the large business of advertising consumers goods.

In studying these possible ultimate effects, it should be worth while to return, momentarily, to the statement already quoted by the Secretary of Commerce wherein he says: "It is, in my opinion, a good governing rule to follow, that whatever industry can satisfactorily do for itself should no longer be done at the expense of the taxpayers."

That philosophy, insofar as the consumer's interest is concerned, has been highly satisfactory to date. The production of the best grade of goods possible at fixed prices, the reward being legitimate profit, has brought industry to its present high standard. The evidence further shows that individual industries have made sincere and honest efforts to produce some satisfactory form of trade labeling. The only recognizable charge which can be made against industry in this connection is that in certain instances it has inclined to be rather laggard. Up until now government co-operation with industry, in arriving at suitable standards, has been largely on a voluntary basis. The satisfactory arrangement of the immediate past has been that the government proffered its resources to industry to help in solving its problems but, with certain exceptions did not seek to fix or impose standards. The findings for the most part have not been mandatory and progress made has been possible because industry itself wanted standards.

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While it may be put down at this time as purely speculative, it is interesting to consider what might lie beyond a completely effected program of trade labeling by government edict. Proponents of government standardization are rather fond of citing the number of varieties of certain classes of consumer goods that are at present on the market. Such citation is very evidently done at least to hint at the fact that private production fosters waste and that there are many more kinds of consumers goods on the market than are really necessary to supply the requirements of purchasers. It may readily be admitted, that in the case of certain classes of merchandise the number of varieties could be reduced without hardship to manufacturers, distributors or consumers.

It is certainly doubtful, however, if this could be done on a large scale without seriously curtailing the opportunities for selection to which the consumers are entitled. It is equally obvious, that any drastic reduction in varieties of products would tend to concentrate unduly the production of consumers goods in the hands of relatively few producers, forcing even efficient producers out of business and creating wide-spread unemployment and hardship. But even if such consequences are not admitted, the question still remains: Should the government have the right to determine the question of quantity of consumers goods as it is now seeking to rule upon the quality of those goods through the instrument of the proposed ABC grading system?

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It has been shown that in the case of the canning industry conscientious workers had for long been seeking some system of grading. The ABC grading system, its inability to designate flavor and its characteristics which were inimical to the interests of long established brands to the contrary, had its outspoken adherents. When the representatives of the industry were summarily ordered to produce within 90 days a satisfactory ABC grading they countered with a proposed descriptive labeling plan.

There was due and proper recognition within the industry that every can purporting to contain a certain foodstuff in reality pronounced on its face nothing more than that fact. It is conceded that one seldom opens a can labeled *Tomatoes* and finds therein instead sweet stewed corn. The opportunities for surprising the housewife are unlimited in this practice but they are not conducive to building up trade. It is a practice almost never indulged in, even by an unknown canner.

But despite all of this it was recognized in the canning industry, the first to be confronted with a government directed system of product grading, that additional information as to contents might be given to the purchaser. In answer to the government demand for a grading plan, to be worked out in 90 days, the industry offered as a substitute a descriptive labeling plan which is summarized as follows:

(1.) Put on the label terms descriptive of each of the significant characteristics of the product that are susceptible of physical or other objective test.

(2.) Use terms that are familiar to or employed by the consumer; thus, canned peas would carry on the label descriptive statements similar to the following. "Medium Small" to indicate size; "Early Variety," to indicate variety; "No Sugar Added," to indicate absence of added sugar; "Salt Added," to indicate seasoning; "To a High Degree Free From Broken or Off-Colored Peas, Pods or Buds," to indicate workmanship in canning; "Very Tender," to indicate maturity or texture; "Vacuum Pack —Without Liquid" to indicate method of packing.

(3.) Define these terms so that (a) the canner will be able to use them properly, (b) that the food authorities can enforce their proper use and penalize canners who misuse them.

(4.) Develop by scientific research new or more accurate tests so as (a) to extend the number of characteristics to be described on the label, and (b) to extend the system to cover products for which tests have not yet been developed.

The plan contemplates action by the industry for the benefit of the industry and the consumers of its products without the necessity of creating additional or new governmental agencies, but with full and proper use of the present governmental enforcement agencies.

This substitute proposal was rejected and the government officials made clear their intention of moving on to the ultimate objective of an ABC plan of grading consumer products. In oral discussions with representatives of the industry the officials have indicated a willingness to dispense with *flavor* as a grading. In publicity propaganda covering this discussion the impression has been left that "flavor will be graded." And there the ultimate impasse is reached, for:

A quality grade, if it includes the factor of flavor, is unenforcible because flavor is an intangible characteristic not susceptible of physical or other objective test. While a quality grade, if it excludes flavor or any other intangible characteristic in order to make the grade enforcible, is misleading and deceptive to the consumer.

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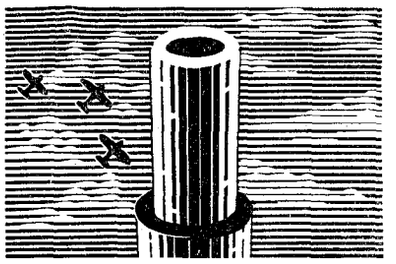
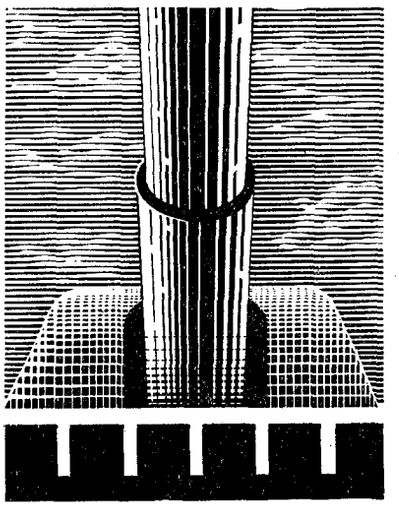
Behind the Front of a Future War



by Harrison Forman

Japan has refused to sign new pacts guaranteeing Pacific peace; Prime Minister MacDonald tells the Commons that Britain must re-arm; the League inquires into the "Mystery of the Mandates"—scene of a future war.



IN a recent arraignment before the Mandate Commission of the League of Nations, Japan was called upon to give a "satisfactory explanation" to the "suspicions" that she was spending large sums of money to build fortified harbors and airports in the Western Pacific Islands which she now holds under League mandate. Under the terms of the mandate, Japan was forbidden to fortify these islands, which formerly belonged to Germany. Also she was specifically forbidden to exclude foreigners.

These islands extend for a distance of 2,500 miles between Hawaii and the Philippines. The total area is just a little more than 800 square miles while their number is estimated at about 1,400, many of which are merely exposed rocks. A vast area of 2,000,000 miles on our ocean path to the Far East is, therefore, completely dominated by these islands for a depth of 1,000 miles and running 2,500 miles along the Equator.

Called to give an account of many suspicious acts which now compose the growing Mystery of the Mandates, Japan flatly denied that she was constructing naval bases on any of the Marshall, Caroline, Ladrone or Pelew Islands, to which attention had been particularly drawn. Mr. Nobubumi Ito, the Japanese delegate, insisted that the expenditure of approximately 200,000 yen for harbor improvements in each of these four islands was necessary because it was essential to permit vessels of 3,000 tons or more to enter the ports. When eyebrows were lifted at such comparative enormous expenditures for commercial development in a group of coral and volcanic islands with a total population of less than 70,000, Mr. Ito gave as the reason that "the sea there was very rough." The Commission then asked why the sea had changed its habits there lately.

Mr. Ito deprecated the charges as "absolutely groundless," and added that the harbors in question were so small and so barren that technically it was useless to develop them as naval bases.

The truth is, however, that these islands are potentially of extreme naval importance. Among them are to be found some of the finest natural harbors in the world, harbors which are particularly adaptable for development of submarine and seaplane bases, which would be of extreme strategic value in the event of a war in the Western Pacific. As a matter of fact, one of them, Pagan Island, was secretly used by German merchant and war craft in the Pacific during the early part of the World War.

Surely, the Japanese will not have the world believe that they are not cognizant of this—especially now that submarines and airplanes have attained such increasing military importance, and particularly since these islands stretch athwart our lines of communications from Panama and Hawaii to the Philippines.

The Japanese Foreign Office has issued a formal statement saying that, "Japan is observing faithfully the terms of the mandate under which it governs the former German Islands in the Equatorial Pacific. All suspicions and accusations are without foundation." If this is true, then how does Tokyo explain that nearly a million yen were spent in a peaceful year for harbor improvements in sparsely populated and economically worthless islands? Or, if free and unrestricted access to the islands for foreign travelers and vessels is guaranteed under the terms of the mandate, why have foreigners found it extremely difficult, if not impossible, to visit the islands? There are unexplained incidents which show that such curiosity, be it innocent or otherwise, can be undertaken only on pain of death.

We shall never learn what really happened to Colonel

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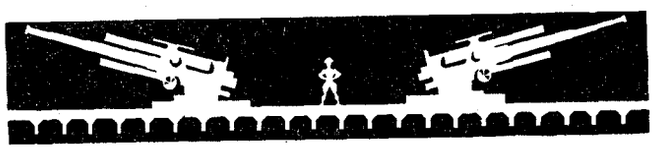
Earl Ellis, of the U. S. Marines, who died under mysterious circumstances in the Caroline Islands. Perhaps he learned too much, and . . . .

The Japanese authorities said he died of fever and that



sanitary regulations dictated immediate cremation of his body. This, at least, has never been disproved. But when the American light cruiser *Marblehead* was ordered to the Carolines to bring back the body, the Japanese not only refused permission for the cruiser to enter these islands, but also refused to allow a commissioned officer to land there. The Japanese consented finally to permit the United States to send a doctor and a pharmacist's mate on this mission.

They traveled on a Japanese trading vessel, under *official Japanese government protection.* At the Carolines they received a cigar box from the local authorities, said to have contained the ashes of Colonel Ellis. The never published story further tells that the doctor "committed suicide" before he reached Japan with the remains. The pharmacist's mate turned up loose in Tokyo six months later—raving mad! An examination disclosed that his skull has been cracked with a silken cord! None of this, so far as can be learned, is down on "official papers" anywhere. A check in the Navy Department files for the log of the ship and the *remarks* that normally would be entered revealed that the Office of Naval Intelligence at Washington has caused these pages of the ship's log to be removed.

And last February an American warship bearing a group of prominent American and Japanese scientists who wished to study the solar eclipse were refused permission to land at Ladrone Island. Other ships, of other nations, have met with similar rebuffs.

There is no doubt that Japan regards these islands as much Japanese territory as Formosa or Korea. Japan will sever relations with the League of Nations completely on March 27, 1935. "She is absolutely confident," writes Mr. Yoshizawa, former Minister of Foreign Affairs, in the Japanese newspaper, *Kaizo,* "that this fact does not affect her in any way as regards her right over the islands." Tokyo officials insist that the islands were given to her, not by the League, but by the Supreme Council at Paris, for her share of the spoils in the World War.

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Before the League of Nations, Mr. Ito cautioned the Powers "to be prudent" when discussing questions pertaining to the Far East as "there may be trouble in that part of the world." Just what did he mean by this? Is this to be construed as a threat, or does Japan really fear an attack by some one, or coalition of Western Powers?

Just what are the *interests* of the Powers interested in the Far East? Certainly, America will not be accused of desiring to add to her Far Eastern possessions. France quite apparently is content with her Indo-China and lesser China concessions. Britain and Holland both have large interests in the Orient, which neither has particular ambitions to increase territorially, but which each will fight tooth and nail to retain. The Soviet has her hands full with her own problems in developing what she already has. She will not go beyond her present domains unless it is to help a state or people who have embraced Communism, as she has done in outer Mongolia and tried to do in China proper.

And the Japanese? From what direction do they fear "trouble"?

In the famous Tanaka Memorial, the secret report of the Premier to Emperor Hirohito in 1927, it was revealed that Japan had ambitions to control Asia by extending her territory through Manchuria and Inner Mongolia to Chinese Eastern Turkestan, to dominate China by gaining control of the Yangtze valley and Canton, and in time, adding the Philippines, the Dutch East Indies, The Malay States and, eventually, India.

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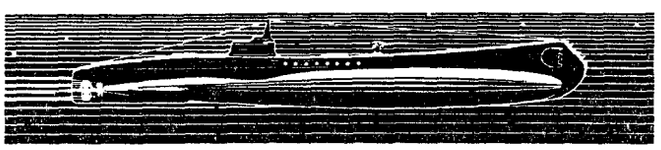
She has already begun to work out this plan which she calls her "Destiny." She has Manchuria—took it by force in the face of protests from the whole world. The Tientsin-Peiping area seems to be next on her program, with Hopei, Charhar, Suiyan and Shansi Provinces, comprising what is termed North China, to be territorially detached from Nanking authority soon after and become an "independent state," or an outright annexation to Manchukuo.

She is now busily at work in Inner Mongolia, which she hopes to control through the hereditary Princes who still retain their titles bestowed upon them by the Ching Emperors of China, of which Henry Pu Yi is the last of the line. "You are more kin to us in political concepts and religion than to the Communist Russians or the heathen Chinese," is the gist of her propaganda talk. (Japan has recently restored Buddhism to official status. The Mongols, with perhaps the exception of the Tibetans, are the most fervent of Buddhists.) And the Mongols, as well as the Tibetans to the south and west have never recognized the overthrow of the Manchus from the Dragon Throne of China. Not for nothing has Japan placed the Manchu "Boy Emperor," Henry Pu Yi on the throne of Manchukuo.

She is gradually asserting her influence in central China, beginning at Shanghai. Japanese "sham battles" to which "no special significance" may be attached, according to Japanese authorities, occur regularly in Shanghai, particularly the Hongkew section. In a recent "engagement" twelve hundred men took part in an all-night maneuver in Hongkew. The sky was illuminated from midnight to dawn with signal rockets and flares, while armored cars and trucks clattered through the streets, dropping details of troops, who quickly took up strategic positions, carrying the thing so far as to sight along their machine guns at important buildings and possible "enemy" strongholds. Not until dawn did they conclude this military show, which had apparently accomplished its objective—the occupation



of the Hongkew section of the city. It will be recalled that it was from Hongkew that Japan began her attack upon the now famous 19th Route Army encamped in Chapei, adjoining the International Settlement border limits during the Shanghai War.

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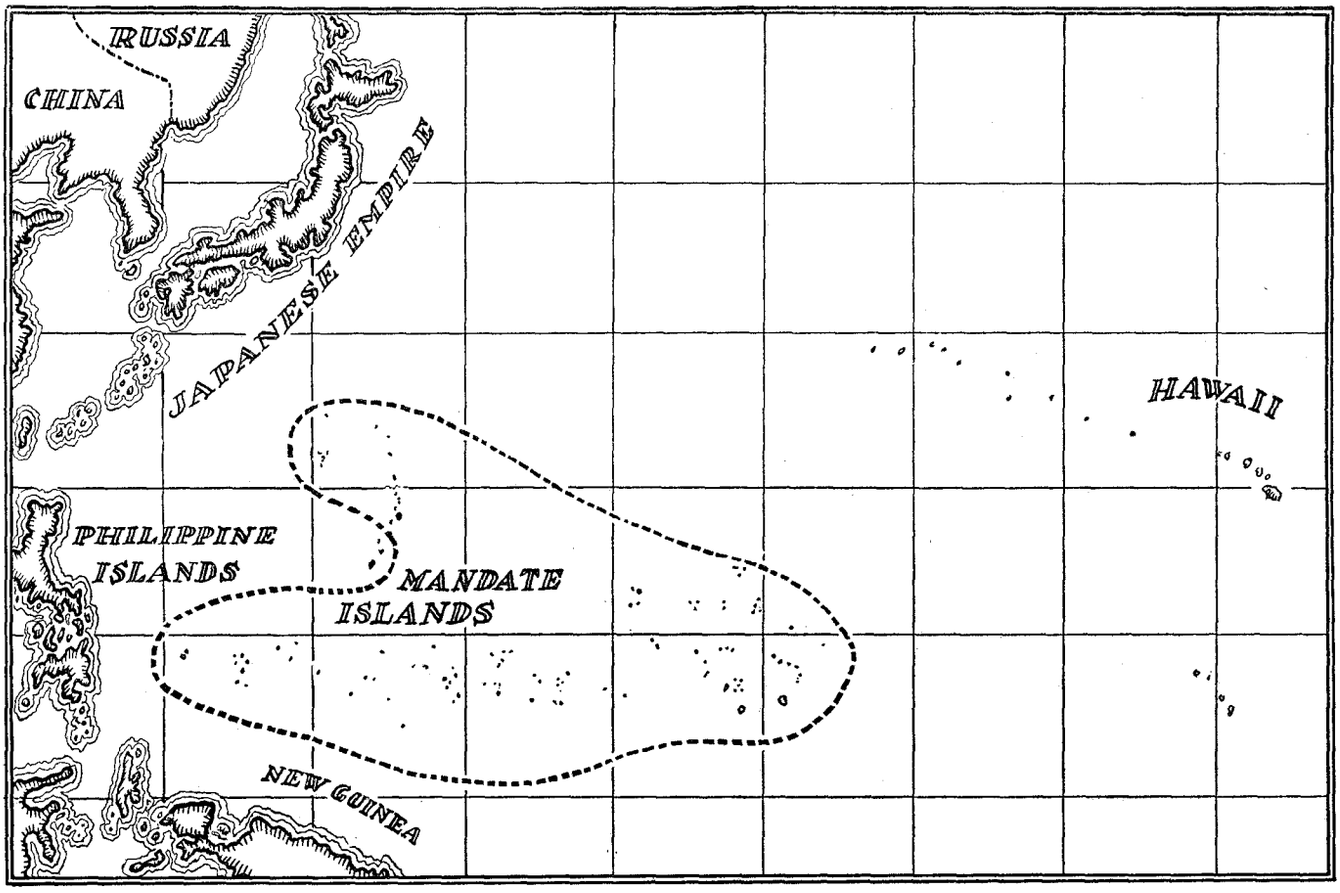
In September, 1933, the Japanese Naval authorities completed a four-story barracks in Shanghai which had been begun in the utmost secrecy just after the Shanghai War of 1932. Strange it is that these barracks are built, not within the International Settlement limits *but outside —in the Chinese territory of Chapei.* These barracks are constructed of reinforced steel and concrete, with provision made for its defense with machine guns, anti-aircraft guns and field artillery. It contains a completely equipped hospital and has a capacity for some 2,000 officers and men. It is strongly guarded today from all prying eyes.

clans, backed up by an army of men trained most rigidly and taught that it is a supreme honor to be asked to die for "the Emperor and Japan."

The military party's supreme authority and ability to act independently of what civilian Japan cares or thinks about it has been amply proven by their actions in the past three years. Recently, at a meeting of the Supreme Military Council, the Board of Marshals and Admirals and the Cabinet, abrogration of the Washington Naval Treaty was approved.

Of course, the argument of "equality" in the eyes of the



The China coast and Canton, of course, are dominated by her fleet with Formosan bases as a point departure for military operations.

Her policy in the Philippines seems to be one of waiting for the day when the islands will become definitely independent from the United States. In the meantime, by subsidizing Japanese colonists in the purchase of large land tracts in the Philippines, she is preparing to work her will there through the legislative body when it shall be established, for it will, of course, be "representative."

In extenuation, Japan complains for one, that she is overpopulated. Yet she has lived in Manchuria for more than thirty years, controlled it entirely for three years—and out of about 40,000,000 inhabitants, barely 500,000 are Japanese. It is this "Destiny" of hers in which she believes so fervently, a destiny to organize and rule a united Asia, which is driving her onward, it seems inevitably to her next war. And it is her own military party which is responsible, acting as they do entirely independently from the people and the constitution, with control of the fighting forces in the hands of the extremely proud and patriotic Samurai

world's peoples is simply for the consumption of Japanese patriotism. Naval parity would be in effect naval supremacy in the Pacific. The militarists know full well that they are masters in Asia. There is not a single foreign battleship stationed in Asiatic waters, while Japan has her whole fleet concentrated within a matter of hours, almost, of steaming distance of the most important points in the Orient from a military standpoint. Tientsin, Peiping, Shanghai, Nanking, Hong Kong, Canton, Manila and Saigon would be taken before a finger could be lifted against her, should Japan find it necessary or expedient. She would then sit tight and dare the Powers to oust her from these spots.

A war waged against Japan by any one single Power would be an extremely expensive and long drawn-out venture. Only should two or three of the Powers get together in an entente would it be possible to bring Japan to terms in a reasonable length of time.

The Japanese militarists know all this. They have seen, too, that the foreign Powers are not inclined to act in concert to place a curb upon her, as was illustrated in the

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variance of attitudes taken by the several Powers in the notes sent to Tokyo, in reference to her Manchurian operations. And the militarists have become much encouraged and emboldened by this. At Geneva, recently, Mr. Ito arrogantly replied to the repeated demands of Marquis Theodoli of Italy, chairman of the Mandates Commission, and his associates for "satisfactory explanations" that "Japan believes she has satisfactorily explained the matter."

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It is obvious that the militarists in Japan have allowed their successes in the past three years to go to their heads. They are confident that they have demonstrated to the Japanese people their ability to accomplish by definite action what the diplomats have failed to do by negotiations. It is their desire to establish this prestige more firmly which is behind the recent elaborately-staged "air raids" on the principal cities in Japan in which, it is reported on reliable authority, "enemy" aircraft were painted with U. S. Air Corps insignias. In the meantime, newspapers and magazines are constantly reminding the populace to prepare for the "crisis" in 1935-36, when Japan may be called upon to surrender to the League of Nations control of the mandate islands, and the naval race, resulting from the abrogation of the Washington Pact, begun.

Surely, if the militarists continue this policy of cock-sure insolence, the matches they are playing with are bound to catch fire. In a conversation the other day, a hard-boiled Marine Officer summed the matter up very nicely, I thought:

"If Japan doesn't stop going around slapping peoples' faces, one of these days people will get tired of turning the other cheek, and they'll all gang up on her." There was no malice or enmity in his statement. He simply meant that a number of nations were becoming increasingly annoyed by Japanese aggressiveness. Some even nursed grudges—Russia, for example—and that while these annoyances, whether economical or political, were not sufficient to go to war, nevertheless, a time might come when they might all get together to be "rid of a nuisance."

This may be taken as an expression of attitude not only of our military but also the man-in-the-street. We may be annoyed, but certainly not bitterly antagonistic as the Japanese are led to think of us by jingoistic elements.

The Soviets are feverishly at work double-tracking the trans-Siberian and have established an airdrome 150 miles from Vladivostok with 900 first-class war planes less than five hours from Tokyo. The Chinese are rapidly building up a first-class Air Force, equipped with the most modern of war planes (American, in the main) with pilots trained by ex-U. S. Army Corps experts. She has today approximately 400 fighting ships—in quality on a par with, and perhaps superior, to those of the Japanese. Nippon has good reason to fear an air atack by a flight of martyr-manned bombers.

The United States has only recently begun to turn her military attention to the Aleutians. There is reason to believe that the Japanese knowledge of these islands is greater than our own. They fear nothing from that quarter for the present. They do, however, strenuously object to America's part in building up the Chinese Air Force, which, without a doubt, is a direct challenge and threat to Japan's security in the Orient. In addition, practically all of commercial aviation, with the exception of the Chino-German Eurasia line, running to the far northwest, is under joint control by the Chinese Government and the Curtiss-Wright interests, with operations in the hands of American pilots and technicians. Tokyo has particularly protested against the building of airdromes, potential military bases, along the China coast from Shanghai to Canton. The great airport now under construction at Foochow, by American engineers, constitutes a military threat to the security of Formosa just across the Straits. Of course, the fact that Curtiss-Wright is building a $5,000,000 factory at Hangchow to turn out fighting planes on a quantity basis for the Chinese Government, simply adds more fuel to her resentment against the Americans.

There is one other interesting point behind the front of the future war which is worth looking at. No doubt Japan is fully aware of Britain's accelerated activities in Singapore. It is an open secret that the Naval Base there will be completed far ahead of schedule—by the end of 1935 instead of 1939. Meanwhile, rumors have it that the largest guns in the world have been mounted in the British Islands around the Naval Base. The air force and military personnel have been increased, with hundreds of planes in crates—being held in warehouses, ready for instant assembling.

Barbed wire, enough to go around Singapore Island fourteen times, has been unloaded. Literally hundreds of houses have been rented by the military, ready for the housing of large numbers of troops. Much of the coast, until recently popular as week-end bathing resorts, has been taken over by the military. An intensive volunteer recruiting campaign is under way throughout Malaya; while all girls and women of nursing profession have been asked to signify their willingness or not to volunteer their services as Red Cross nurses in time of emergency.

It is well known that the Japanese Intelligence system is the finest in the world today. Very little escapes its ever-watchful eye. Japanese Intelligence agents are everywhere, and are most efficient. I have met them far in the interior of China, in Mongolia, at Hongkong, Manila and Singapore. In Singapore, for example, I had occasion to talk with a Japanese who operated a tiny hole-in-the-wall photographic supplies shop, "co-incidentally" located near the Singapore fortifications. We talked of philosophy, art, travel, almost anything, but politics. Nevertheless, I would venture to say from the scope of his knowledge and forcefulness of character, the man held at least a colonel's commission in the Japanese military!

No work is considered too menial, no hardship too severe or sacrifice too great for the patriotic Japanese when it is for his Emperor, the supreme symbol of Japanese nationalism. But this pride sometimes proves his nemesis, as witness a recent turn-out of twenty Japanese barbers in the Panama Canal Zone in *full Japanese Naval uniform* to pay their respects to a high Naval Officer in command of a Nipponese training vessel passing through the locks.

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It is this pride or egotism, rather—that same contemptuous egotism that prompted the military to land seven hundred marines to drive out from Chapei twenty thousand strongly entrenched 19th Route Army troops—that will lead Japan to bolder and bolder ventures, which must inevitably provide the cause for the future great war of the eastern world.

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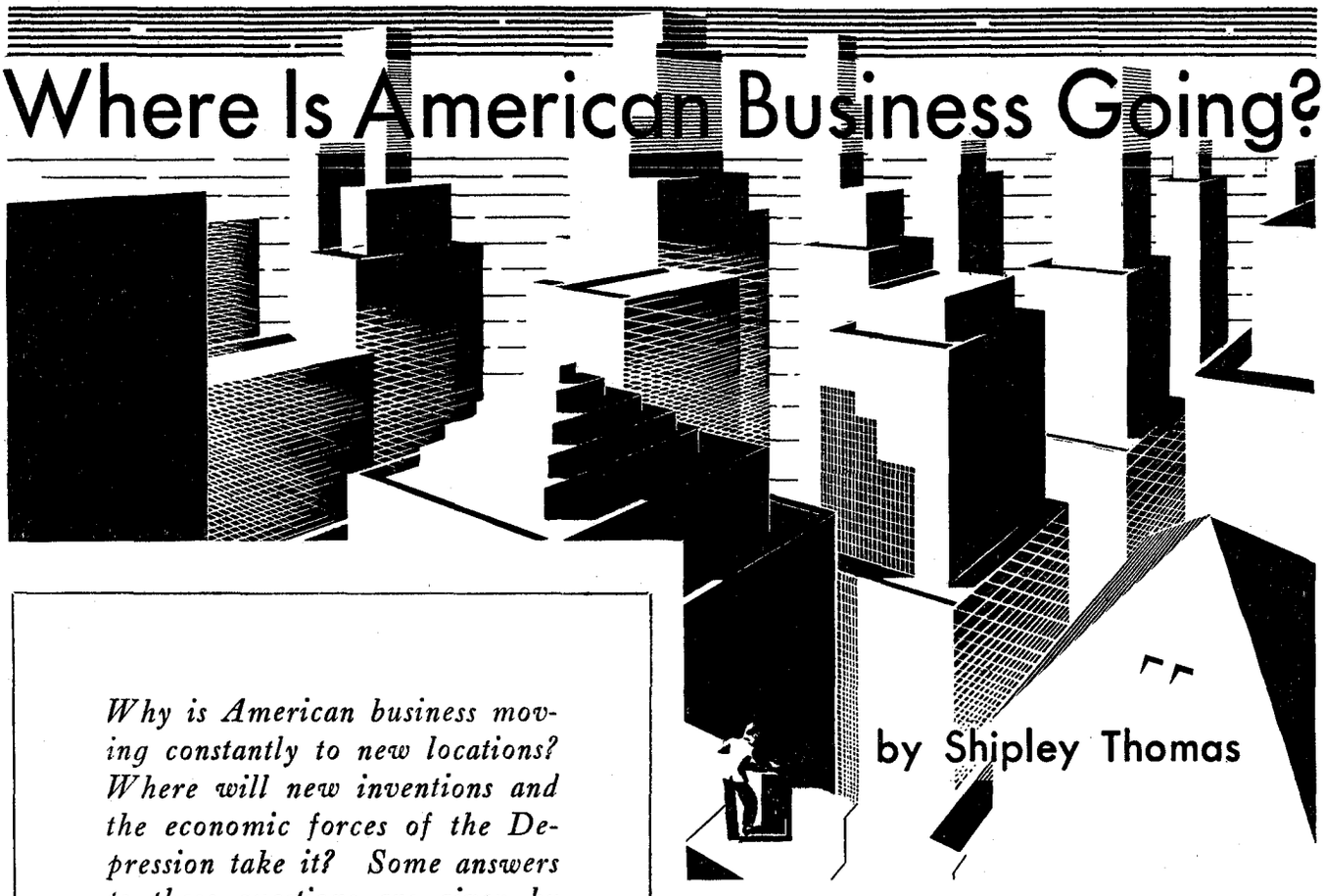
Where Is American Business Going?



by Shipley Thomas

Why is American business moving constantly to new locations? Where will new inventions and the economic forces of the Depression take it? Some answers to these questions are given by Mr. Thomas, member of the engineering firm of Ford, Bacon & Davis, which has made numerous studies of this problem.

A STRANGE, yet frequently little commented upon, phenomenon of American business is that it is constantly changing its location. No sooner is a handsome group of buildings erected than one finds that the commerce and trade which these buildings presumably were to have served have moved elsewhere. Real estate speculators make or lose fortunes depending upon the correctness of their guesses about these future changes. Off hand, there seems to be no definite reason to account for these sudden, quixotic shifts of location, but the main underlying causes of all the changes which have occurred in the past are so clear that it is quite possible to analyze the basic factors so as to be able to look forward to the changes which may come in the near future.

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To understand where business may be located tomorrow we must take note of the tendency in commerce and trade of "birds of a feather to flock together." Department stores huddle around a central point, hotels nestle in a group, while banks seem unwilling to be out of each other's sight. This is not the case in just a few scattered cities, but is true in almost every city. And, while this seemingly inexplicable herd movement of businesses in a city may seem odd, how much more so is the grouping together in one area of a whole industry.

Leaving out of consideration, for the moment, the very obvious cases, such as the proximity of the mines and water transportation which early established Pittsburgh as a center of heavy industry, and the excellent harbor which made New York the shipping and financial center, the more perplexing cases may provide an even more valuable clue to the problem. Why did the brass industry flourish for over a century in the Naugatuck Valley of Connecticut, where there are no mines and no other obvious reasons for such a location? And why, after this long period, is the industry now beginning to scatter throughout the Middle West? Why did the textile industry center flourish for so many years on the shores of Narragansett and Buzzards Bays and in Philadelphia, when the cotton was grown in the South and the wool came from distant points, and why only now is this industry moving down toward the source points of its raw material? And again why did the automobile industry, which began and flourished for a while in Connecticut, suddenly move to Detroit?

Perhaps the questions are quite separate, and one should not confuse the issue of geographic segregation of different kinds of businesses within well defined areas in each city and the grouping of whole industries in an area.

Are these then merely odd coincidences? Do similar businesses become grouped in a city just by chance? Do whole groups move by fancy's whim? Do industries gather in a locality merely fortuitously, or is there a basic economic reason for each of these seeming oddities?

The textile industry flourished for over a century along the shores of Narragansett and Buzzards Bays. But small streams furnished water power at many other points much nearer the cotton fields and the markets for the finished

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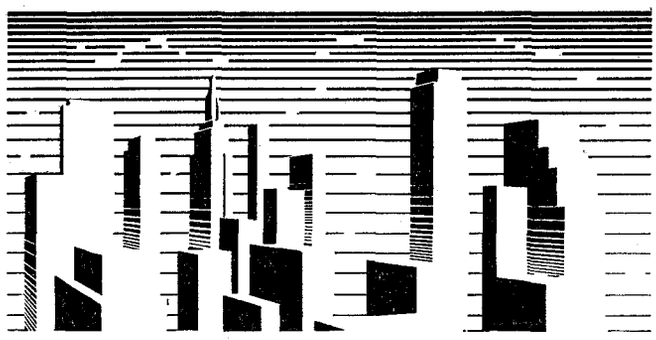
product; generations of skilled labor, so often a major factor in other businesses, were not here the principal cause. The fact is that it was the climate, that almost incessant fog, like that of Lancashire in England and of Philadelphia in this country, which made the textile industry to flourish for so long in those places. Today modern air conditioning of textile mills has made it possible to operate mills in localities which have other advantages. Thus we find the mills are being moved to where labor, power and transportation are cheaper. Two reasons had, up to this time, held this industry in the place of its original location. One was the climate, which was favorable, and the other was the almost universal tendency of the original business to split itself up into small units in the area of its origin.

And here one might also note parenthetically the tendency of American business to breed. A couple of em-



ployees who have saved money decide that they can run the business better than the boss; he refuses to turn it over to them, so they rent a shop next door and go it on their own. The reason why they locate next door is because the buyers are accustomed to come that way, they know them all and believe they can please them better than their ex-boss. Then, too, they know the labor and generally are able to pick the best as they need them. In no other location would they have half so good a chance to succeed.

The location of the brass industry in the Naugatuck Valley in Connecticut offers the best kind of proof of this very point. No one can say for certain how it originated there except that some of the original farmer settlers knew the brass making trade from experience in England. The farming in that valley was not of much account and the making of brass buttons proved to be more profitable. These original settlers bought copper and zinc, used the native hard woods for annealing, and used their accustomed eyes and sense of smell in place of the present-day laboratories of control. It was the relatively abundant supply of labor skilled in the craft which held the brass industry there, and as a result hundreds of manufacturing establishments using brass as a basis were developed in that locality. Waterbury became famous for its watches; and it is only in recent years that laboratory control in manufacture and automatic machines in production have led to the establishment of similar industries in other locations.

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Automobiles were first made in Connecticut because of the skilled labor available. They were well made by good artisans and were quite expensive. Then out in Detroit a man started making automobiles on quite a different principle; instead of skilled labor, he used common labor, each man being assigned to screw on a bolt as the half-built car passed by him on the assembly line. In quantity better cars were produced in Detroit at a lower price. The Connecticut plants with their skilled mechanics and famous names: Pope-Hartford, Locomobile, Rambler, faded away while other plants were built in Detroit either by former employes of the successful innovator, or by intelligent men who hired the same designers and builders and copied what ideas of his they could.

The first motion pictures were made in several different localities. New York, the center of the "legitimate" theatre, was the home of the actors, playwrights and managers. The film was made in Rochester, and the vast majority of motion picture theatres were in the East. Large studios made pictures just outside the city while the shores, mountains and various old towns nearby furnished ideal settings within easy distance of the theatrical district. With the development of this new form of entertainment into a great industry all this changed. The Eastern studios were closed, the whole productive organization was moved to Los Angeles, and a totally separate group of actors, playwrights and producers was organized.

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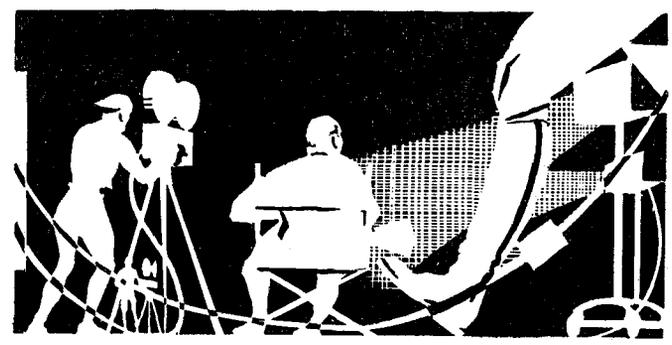
Obviously there must have been one cardinal reason for such a vital migration, or a group of causes sufficient to overcome the apparent disadvantages of leaving the sources of raw material and the then existing largest market for the finished product. The motion-picture industry left



New York and went to a place where land was cheap (with mountain, plain and ocean scenery available), and where the producers could depend upon a succession of sunny days so that money would not be wasted on idle time of great staffs, due to poor weather. The "talkies," for the most part taken indoors to get the proper sound effects, have rendered most of the geographical advantages of Hollywood obsolete, and the tug of war for one more change is now on.

These few examples indicate that there are very definite factors which determine success or failure through locating a factory or a whole industry in a specific city or area. Businesses do not migrate for the fun of it. Those which go to the correct place are more apt to succeed, while those which choose the wrong location are more likely to fail. Advantages of locations change with the times, but by carefully weighing all of the elements, the correct answer to the question, "Where is American business going now?" can be obtained.

Engineering firms make a special practice of advising clients where to locate their factories. One basic questionnaire contains 136 items to be discussed with the client. From this an analysis is made for the particular industry.

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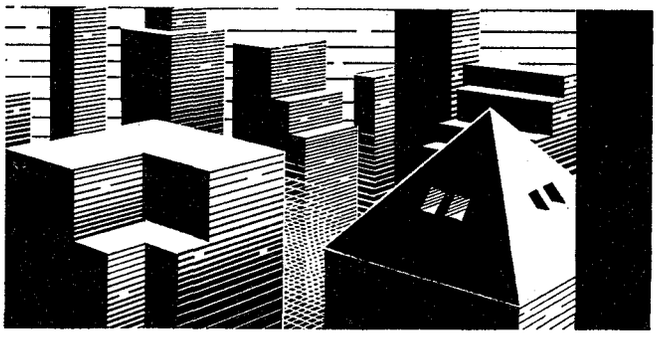
In one case the major headings are allotted certain percentages as follows: Labor 24 per cent; transportation 12 per cent; suitability of town 12 per cent; availability for market 12 per cent; financial considerations 10 per cent; raw materials 6 per cent; concentration of industry 5 per cent; power 4 per cent; legal 4 per cent; building costs 4 per cent; climate 2 per cent; loans 2 per cent; building site 2 per cent; and cost of moving 1 per cent.

So much then for the location of industries in suitable areas. If we admit that this is susceptible of analysis by pure reason, then does not the odd grouping and queer movements of different kinds of businesses in a city also follow some basic economic reasoning? Specific business areas seem to be well fixed in a city; then, without any warning, they begin to move. In New York, for example, the retail shopping district has moved from 14th Street,



where Wanamaker and Hearn still linger. Its first stop was at 23rd Street, then it went to 34th Street, then to 42nd Street, and now it is centering around 57th Street. Meanwhile, the financial district has remained fixed at Wall Street. In contrast to this, Philadelphia (but ninety miles away), has enjoyed a rather fixed retail shopping center, while its financial district moved suddenly one mile westward. On the other hand, in Boston, Baltimore and New Orleans, there has been no material change in one hundred years.

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Are these mere coincidences then, or are they too susceptible of analysis as to underlying causes?

It is always simplest to start with the obvious, and, in this case, it is not only easy to understand but also is one of the controlling factors for many of the others. A practicing lawyer *must* have his office within walking distance of the county courthouse. Legal calendars are long, but cases are so often compromised, postponed, or for one reason or another disappear, that a lawyer may start the day with twenty cases ahead of the one in which he is interested; and at 11 o'clock his clerk at the courthouse may telephone him hurriedly that their case is the next on the calendar. The lawyer then has no option but to excuse himself and dash over to the courthouse. He cannot rely on taxicabs, street cars, or subways. Only by having his office within a short walking distance is he able to transact his other and more important business with a feeling of freedom. This, therefore, accounts for the universal location of lawyers in any city and ties them to the vicinity of the courts.

This seems of minor importance until one realizes how dependent banks and other big businesses are upon "the advice of counsel." Now, in referring to banks, one must distinguish between the bank itself and the branch office which receives deposits and cashes cheques. The latter has other purely geographic ties and falls into the class of corner groceries and follows such services into secondary zones. But in referring to banks, one must bear in mind only the main offices, where loans are made and the principal business of the community is conducted. Scarcely any of this class of work can be done by a large bank today without consultation with its attorneys. Now, as it is practically impossible for a busy attorney to quit his office and go to another part of the city several times a day to consult with the officers of the bank, the eventual result is for the main office of the bank to move into or remain in the ground floor of the building in which the lawyers have their offices. As an example of this: in Philadelphia the courts were moved from 5th Street to Broad Street, almost one mile west. The lawyers had to follow the courts, and the presidents of the big banks soon found it much more convenient to transact their business in the former "branch offices" at Broad Street rather than in the old "main office" downtown. Now the erstwhile branches have become in effect the main offices and the fine old buildings downtown are almost deserted.

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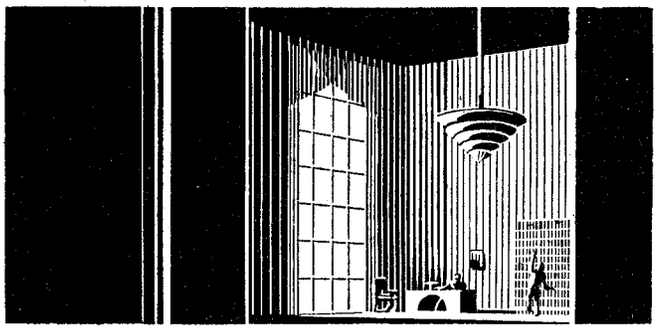
With the main offices of the banks must go the stockbrokers and investment bankers. They may have branch offices where they please, sometimes many hundreds of



miles away, but their main offices must be near the banks where loans, etc., are instantly available.

Thus we see that the "financial district" clings to the vicinity of the courthouse, which explains why, when everything else in New York has moved to more accessible space uptown, the financial district still remains down at the foot of Manhattan Island, and also why the main offices of those businesses which are closely allied with the financial center must also stay there, and why they are so close together.

It may be understandable why banks and other financial houses are always in such close proximity, for they do business with each other. But certainly the retail stores in the shopping district have no dealings with each other, and yet they usually stand cheek by jowl in a very distinct "shopping district." The banks, the lawyers and the courthouses are not responsible for this segregation. Two utterly different factors are at work here. The development of 57th Street as the smart shopping street of New York gives a clue to the first of these causes. Twenty years ago it was two rows of old brownstone fronts, mostly boarding houses, while the shopping district already on its

(*Continued on page* 56)

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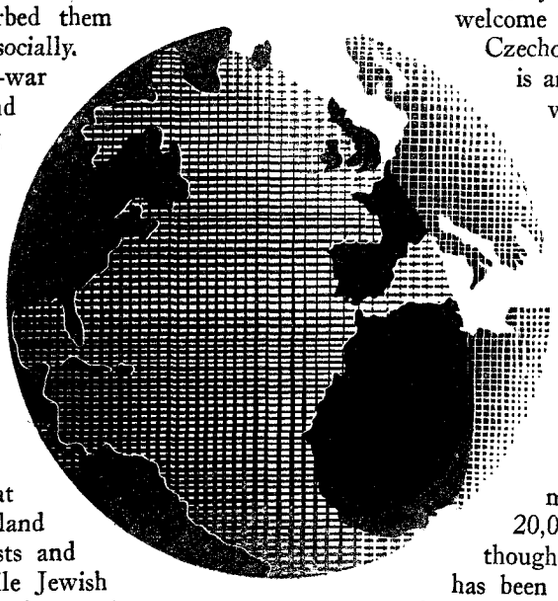
The "Dispossessed" of Europe

by Lucille B. Milner

Homeless and destitute, the flotsam on the underground stream of the 30's, which is the changing current of human effort to seek some form of workable government, an army half a million strong are the 20th Century people without a country.

IN the years since the war, the nationalist upheavals in Europe have created an increasingly large number of political refugees, most of whom fled from their homes to the countries where liberalism still existed. France in particular welcomed many thousands of Russian and Italian exiles and has absorbed them economically and to some extent socially. Fortunately for them, the post-war years were generally prosperous and the business of making a living comparatively easy.



The advent of Hitler and National Socialism in Germany, however, came at a time when almost every country of the world was plunged into the deepest economic depression in a century. With the best intentions in the world it has been impossible for any government adequately to care for the German exiles when already there was great distress at home. Austria and Poland were entirely barred to communists and socialists for political reasons, while Jewish refugees did not dare to put themselves under the rule of any nationalist dictator for fear of jumping from the frying pan into the fire. Entrance to Great Britain and the United States was greatly hindered by distance and by immigration restrictions. Russia, too, presented difficulties of distance. The Soviet government, however, did invite between 600 and 900 refugees to enter her borders, and paid their transportation expenses from a fund of $190,000, which had been raised in Russia for the relief of refugees. Further complications were caused by the inability of the refugees to obtain proper papers, since Nansen passports, under which the Russian exiles were allowed to travel, were not issued to them, and the suggested McDonald passports providing protection of the League of Nations up to the present time have not been officially adopted.

The only countries which could conveniently welcome the refugees were France and Czechoslovakia, where political freedom is an accepted standard, and the Saar, which, because of its peculiar status under the League of Nations, is free to receive any and all. But political freedom does not include the right to work, especially in France work permits are impossible to obtain. Even had they been obtainable there already existed in those countries extensive unemployment

The number of Germans who have fled from their native land since the rise of the Nazis is estimated at 60,000. Of these between 20,000 and 30,000 went to France, though the number now in that country has been reduced to about 10,000. Many have either returned to Germany or have emigrated to other countries. Between 3,000 and 4,000 crossed into Czechoslovakia, of whom 1,500 to 2,000 are still there, while it is believed that close to 13,000 fled to the Saar, either settling there or passing through to other countries.

The refugees fall into three groups: the political exiles who are largely communists and social democrats of the proletarian classes and represent 35 per cent of the total, the Jews who represent 65 per cent, and the intellectuals who come under both classifications. It is estimated that 40 per cent of the refugees are of the middle classes, 30 per

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cent are workers, and 30 per cent are intellectuals. Some of the latter, with resources, were able to enter Switzerland, Belgium, Holland and the Scandinavian countries. The Jews had a special exile in Palestine, though even there the British immigration restrictions and the cost of transportation have barred many.

Of the Jews much has already been published and, although their lot is not a happy one, more money has been raised for their relief than for any other group.

Probably the most distressing conditions exist among the intellectuals, of whom there were about 10,000, largely writers, doctors, lawyers, professors and students. Few of them have money; many, unable to pursue their profession in a foreign country, are untrained for earning a living in other fields, and what is more important they are not members of any group, political or any other, which is dispensing relief. While most of the relief organizations claim to be non-partisan, they, nevertheless, tend to favor one or another political group.

Typical treatment of pacifist intellectuals is that accorded Erich Muehsam, the writer, whose wife has now escaped to Prague. Muehsam was arrested on February 28, 1933, immediately after the Reichstag fire. After a short stay in a Berlin prison, he was removed to the Sonnenberg concentration camp. Here he endured many brutalities. In May, his wife received a package from the camp containing his shirt stiff with blood. For three months thereafter she was not allowed to see him. When she did visit him in November his ears were swollen to twice their normal size from beatings about the head and he had lost his hearing. Later, when he asked permission to write his wife, both thumbs were broken by a guard and a White Russian prisoner. The day before Christmas he was dressed as a teddy bear and forced at the lash of a whip to dance and caper before his guards for their amusement. On another occasion his wife found his face painted grotesquely with red cheeks and black Kaiser moustache.

On July 9, 1934, Muehsam was brought before the new commander of the camp. He was given two days in which to commit suicide. The following day he was found hanging from a rope in a washroom, but as he had sworn never to die by his own hand it seems more than likely that he was strung up by guards after having been beaten to death. Thus one in the large army of the "Dispossessed" of Europe comes to a violent end.

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The political refugee groups, which are largely non-Jewish, are represented by men, women and children—even babies in arms. They are eking out a bare existence in Paris, the Saar, and around Prague. Wholly inadequate is the relief furnished them by the various organizations in this work—The World Committee Against Fascist Oppression in Germany (headed by Lord Marley), the International Relief Association, the International Federation of Trade Unions, the International Red Relief (Communist), the League for the Rights of Man and the Society of Friends (Quakers). These organizations have raised over $670,000, of which only about $30,000 has come from the United States, for the purpose of fighting Fascism and bringing relief to its victims.

In Paris the refugees are scattered throughout the city. The relief organizations aim to provide them with the bare necessities of board and lodging which are often supplemented by help from the neighbors. All are eagerly planning for the day when Hitler will fall and they may again return to Germany. Some, wearied by the waiting and lack of proper nourishment, are already slipping across the border into their home land. Hitler will fall soon, they say! Hitler *must* fall. Even the children, who have adapted themselves more easily than their parents, talk together of their imminent return. The Red Relief maintains one hotel devoted exclusively to those who are ready to risk an immediate re-entrance. Here men are being prepared to carry on the underground work that is to overthrow the Hitler government.

Many of the Paris refugees are women whose husbands have been killed by the Nazis. Frau Stenzer, whose husband was a writer and a member of the Reichstag, is living there in one room with her three children. Following the burning of the Reichstag her husband went into hiding but she was arrested and held as a hostage. He was later captured and sent to the Dachau concentration camp where he was "shot while trying to escape."

Later, when she had been released following a hunger strike, she was permitted to view his body, which had been exhibited to the town as an "example." Although he had been a strong, healthy man, neither she nor his mother would have been able to identify the body had it not been for a birthmark, so severely had he been tortured. In size his frame had shrunk to that of a boy of twelve.

At St. Martin, the Ile de Re, off the Brittany coast, a French workers camp, has admitted a number of German children through the efforts of the International Red Relief and the World Committee against Fascist Oppression in Germany. Some of these youngsters have had no word from either parent for months. Kurt, thirteen years old, for instance, is the son of a pottery maker; his mother was active in political circles. She was arrested and taken to a concentration camp! His father fled with him to Saarbrucken, where the Committee took Kurt in charge. Neither has been heard from since. Karl, twelve years old, and his ten-year-old brother, were abandoned to their own devices when their parents were taken into custody. Two days later a friend took them to an orphanage but they received such brutal treatment there that they fled through the aid of a friendly guard. In another orphanage they found two young friends and the four planned escape from the country. However, Karl's mother was providentially released just before their flight and came to claim them. Together they crossed into northern France and thence to Paris where they are now living.

Conditions in the Saar are complicated by the struggle between the Nazis and the groups who demand that this highly important industrial centre continue under the protection of the League of Nations. If the Saar is annexed to Germany, important political and economic reinforcements will be given to the Hitler regime, and thousands of

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refugees will again have to flee for their lives and freedom.

There are five political refugee "collectives" in the Saar. The group at Von der Heydt, for instance, is housed in a damp and musty building, formerly a barrack for miners but long since deserted. Food supplies are given them daily by the tradespeople of the town. Work is, of course, denied them, and their principal complaint is their enforced idleness. They are making the best of their situation by study and training. Here, too, all are eager to re-enter Germany when the long-expected overthrow of Hitler is accomplished. Many are being prepared to return at once to carry on underground propaganda.

In these groups are many former Storm Troopers who have rebelled against conditions at home and deserted the S.A. ranks. One, who had been a district leader in Germany, and a former guard in a concentration camp, was charged with "treason" because of his humane treatment of prisoners, and was forced to flee.

In Czechoslovakia, the German refugees have been joined by some 4,000 Austrians who fled their country following the February massacres. Here the government and the people have generously aided the relief organizations in establishing the exiles. From the camps around Prague many have found their way to Russia, Palestine, South America and even Manchuria. And as in France, numbers are being prepared for immediate return to the German underground work. One of these collectives is in the ancient castle of Schwarzenberg. The refugees are rehabilitating the grounds and the 300-year-old building, have installed a water supply, are raising vegetables, and are making their own clothes. In Prague, the relief committee headed by Professor F. X. Salda maintains a free kitchen which serves 200 to 300 refugees daily, the supplies being entirely donated by local tradespeople. Those who come to the kitchen are, for the most part, young men and women, strong, healthy, and determined to regain what they have lost under the Nazis. As a result of their experiences in Germany and Austria many of the Social Democrats are turning still further to the Left, feeling that vigorous revolutionary action is necessary to attain the ends they desire.

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Within Germany conditions are far worse for the political opponents of the government. It is impossible to estimate the numbers who have been killed and injured by the Nazi agents. Thousands of political opponents are detained in the forty-five concentration camps. Their numbers have been greatly augmented since the June 30 killings. In the Dauchau concentration camp alone it is reported by an authoritative source in Munich that the population has increased between 200 and 300 per cent in the last four months.

Prisoners in the concentration camps are subjected to frequent tortures and humiliations of the most barbaric nature, while all are undernourished to the point of starvation. The Jews are especially marked by having their heads shaved when they enter and refinements of torture are carried to the point of giving the prisoners ox blood paste to eat on days when a hanging is to take place so that all may sense the horror. Outside the prisons and concentration camps in Germany are hundreds of thousands who suffer constant persecution because of their Jewish blood or because they are related to those in jail.

The German government has permitted four organizations to aid Nazi victims within the country. The largest is the Central Committee for the Relief of German Jews, which has received $488,000 for this work from England and the United States and from within Germany. It has a broad field of work to provide relief, find employment, organize and operate schools, make loans and generally assist Jewish families to adapt themselves to the new order in Germany. In this connection it is interesting to note that although the German authorities have assured the American Olympic Committee that there is no discrimination against the Jews in the realm of sports, more than 60,000 young Jews in Berlin are forbidden to use the public sports equipment. They have been forced to provide their own fields and equipment while they are taxed to maintain the very fields from which they are barred.

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The Society of Friends in Berlin is also doing excellent work under the guidance of Corder Catchpool and his wife. Mr. Catchpool, who is an English Quaker, has been active in relief work in Germany for the last fourteen years. When Hitler came into power he was arrested and imprisoned, his house raided and many of his personal belongings confiscated by the Storm Troopers. However, upon his release, he immediately returned to his work with remarkable courage and persistence.

Two other organizations, largely supported by funds from within the country, are permitted by the government. These aid the 200,000 Jewish Christians, that is Jews who have been converted and Christians of mixed blood.

In addition to the committees that work openly, four organizations are secretly aiding political opponents of the government with funds chiefly supplied from abroad. These organizations are the Lord Marley Committee, the International Relief Association, the International Federation of Trade Unions and the International Red Relief. Money is sent directly to district leaders throughout the country and they in turn work through local committees at great personal risk.

At the same time these organizations are carrying on a vast anti-Nazi propaganda work through a parallel structure of district leaders and local committees. Many of these agents have been apprehended by the police and in one town alone nine of them were shot. However, the work goes on with increased success due to the rising sympathy of the people themselves, according to reports of the agents. Thouands of propaganda leaflets and miniature newspapers are being carried into Germany monthly while others are being printed secretly even in Berlin. These leaflets are stuffed into mail boxes, left in telephone booths, and distributed through underground channels in the industrial districts. That they are having their effect is indicated by the greater frankness with which the people are discussing their problems and daring to criticize government activities. This fact has been remarked by numbers of recent visitors to Germany.

The increasing opposition to the government is based upon many causes, among which are: (1) horror at the murders of June 30 last; (2) lack of self-expression for the people; (3) government control of the press; (4) forcing of the

(*Continued on page* 62)

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The Pendulum Trembles

by George E. Sokolsky

What did America seek to express in the recent "mid-term" Congressional election? As an answer to this question, NEW OUTLOOK *presents another "road report" by Mr. Sokolsky on the current temper of the American people.*

WHEN the late election is analyzed statistically, an astonishing fact reveals itself. Out of a total of 27,000,000 votes cast, 12,000,000 or 45 per cent voted the Republican ticket. In 1932, the Republican vote was 40 per cent. But in 1932, the Republican party was organized; it was the party in power; it had leadership and a program. It had funds.

In 1934, the Republican party was utterly disorganized. Its National Committee possessed no authority over state organizations. Its treasury was depleted. No two candidates agreed on programs and principles. Its leadership was frightened and intellectually meandering. The acknowledged leader of the party was not a practical politician but rather one whose life experience had been in the field of polite diplomacy. Yet, it polled 12,000,000 votes.

It may be assumed that this 12,000,000 votes was a middle class protest against the New Deal, that men who could not bring themselves to vote Socialist or Communist, or Farmer-Labor in Minnesota, Progressive in Wisconsin, or for Sinclair in California, and who would not vote for Roosevelt and the New Deal, sought refuge in the Republican party. That may be so, but it is apparent from the Estimates of the Popular Vote published in the *New York Times* on November 9, that less than three million votes scattered throughout the country would have divided the House of Representatives equally between both parties. It takes one vote to elect a man, but an analysis of the actual figures must go deeper than the actual election of Congressmen. It must go to the state of mind of the aggregate electorate.

At the moment of writing, I do not have before me Socialist, Communist, Farmer-Labor and other figures. Perhaps they would add another per cent to the total against the New Deal.

As one looks at the actual number of Congressmen and Senators elected, it might be assumed that the pendulum is still swinging leftward to the New Deal. As one analyzes the aggregate popular vote, however, the movement of the pendulum is different. It has almost ceased to swing. It trembles. It is uncertain.

Why is the New Deal not as popular in 1934 as Roosevelt was in 1932? Five per cent gain for the Republicans is really a tremendous figure in the face of the state of the country, the huge expenditures of PWA, AAA and FERA money on the eve of the election, and the amazingly incompetent and defeatist activities of the Republicans. They got 12,000,000 votes without doing anything to get any votes. That is interesting. That we have to understand.

I am in Kansas City, Missouri, with an evening off. So I go to a public forum, pay a dollar to get inside and hear Miss Frances Perkins talk on "Economic and Social Security in the Twentieth Century."

In the course of her remarks Miss Perkins announces that she and her colleagues are preparing a report suggesting numerous insurances which the government is to institute, old-age pensions, unemployment insurance, sick benefits, etc. Nobody applauds this announcement; nobody resents it. It passes. Then she discusses strikes, and her very careless handling of a delicate problem also passes.

It is her formula for the future that rather burned a spot on my mind. I tried to reduce her address to a formula; to something that could be stated succinctly. I think this is what the learned Secretary of Labor tried to say in Kansas City:

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"Increased activity in the market may be stimulated more by leisure than by work as leisure creates new industries which naturally provide work for those reduced to unemployment by technological displacements. Furthermore, in the adjustments that are taking place, the objective should be reduced hours, increased wages, low prices, low profits out of volume production; that if this formula is accepted, we require no export trade for a generation but can achieve prosperity by increasing the purchasing power of the sixty-five per cent of the population who earn less than $1,000 a year, among others."

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I think that is an accurate summarization of Miss Perkins's remarks, which lasted a little over an hour all told. Perhaps I over-simplify it, but not really because most of the talk was to pile example upon example to prove that this formula is correct.

As I came out of the place where the Forum was held, I noticed no signs of great enthusiasm, and seizing a Kansan (not a Missourian) by the lapel, I inquired of him whether he saw how these operations were to be financed. In a word, the suggestion is that this program is self-liquidating because by means of the insurances those incapacitated to earn continue to be consumers (on a dole) but prices must be kept down to meet the requirements of low-earning or low-doling citizens. But if everything is high except prices and profits, who pays the taxes?

And there is the rub. The American, wherever I go, asks about taxes. He has just begun to discover that he has been accepting checks from the government that he may have to pay back, perhaps with interest. If the individual who got the processing check or the FERA check or the CCC check or even a PWA or a TVA check does not have to pay back all the money that he got, somebody will have to pay, in some way, by some manner, the money that he is spending today. We are spending debt-money, as a man put it to me in Iowa, and debt-money has to be paid back.

Now, Miss Perkins omitted one very important phase of this problem from her speech. She did not say that taxes are levied on productivity; that in a theoretically perfect state, taxes should cease as soon as productivity ceases, but in reality, taxes continue as long as there is anybody or anything to tax. In one province in China, they have collected the taxes fifty odd years in advance. In the United States, we need not do anything like that because we can make a profit by debasing the currency still further; we can impair the liquidity of our banks by loading them down with short term treasury notes; we can continue to tax industry and capital until it goes out of business. All these ways are open to us and we have far to go in each of these paths. As Miss Perkins said in Kansas City, "This is a rich country."

Nevertheless, the ordinary middle class person in the United States is beginning to realize that what he faces is either a debasement of the currency or high taxes, and he does not like either. He liked the checks when he thought that he was getting something for nothing. This has always been a coupon hunting country anyway and the government was handing out coupons. But as soon as the coupon involves a repayment, the average man shakes his head. That is why the *Literary Digest* poll showed that although the pendulum had not yet swung away from Roosevelt and the New Deal, it is trembling. The election did not arithmetically support the *Digest* poll but it did support the tendency.

Perhaps the reader will permit me a vanity. In my article "Farewell to Eagles," published in the June issue of NEW OUTLOOK, I was able to forecast the demise of this exotic bird a bit sooner than the official death notice announced it. It is then as a forecaster that I appear now to the gentle reader when I suggest to him that the two real issues in the 1936 election will be sound money and reduced taxes.

The very farmers here in the Middle West, who since the days of William Jennings Bryan have been asking for easy money, will be the first to raise a terrific howl when they have to pay four and five times as much for their manufactured goods than they can get for their raw materials. The fact that bootleg wheat and bootleg seeds, even on a small scale, have made their appearance on the Canadian border, has not passed unnoticed in this part of the country. The fact that the Argentine is reported to be experimenting with cotton has not passed unnoted in the southern states. The farmer finds his markets invaded. He will find his currency debased, his taxes increased without the possibility of increasing the price of his commodity, because whenever farm prices are too high a definite sales resistance appears. The best example of that is the vogue of slimness which was emphasized during the war when the price of wheat and sugar was so high. When wheat gets too high, we all live on toast melba. We call it a fad, but save money in the doing.

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Another interesting phenomenon is appearing in the Middle West in relation to farm taxes. In some states, farmers may be in arrears three years; in others, four. The farmer who has been in arrears several years knows definitely now that he will not be able to meet his obligations to the state. This is particularly true of farmers who only farm an eighth of a section, which as things go in the Middle West is barely a subsistence farm. Many such farmers are dropping their farms altogether and are coming into the villages to live on relief. They take the relief. They pocket the money. But they are a very unhappy folk.

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I have spoken personally to a number of farmers who dropped their farms, and none of them have anything pleasant to say about it. On the other hand, there can be little question that any farmer who had hogs anywhere in the Middle West could have got some money from the government during the month of October. In fact, more ridiculous, and probably untruthful, stories were being told about Santa Claus than any child ever had to hear even in the days when fairy tales were real.

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But this is true: nobody who got a present from Santa Claus wants to shoot him. There may be another present in the offing. The American farmer takes the present with a wink in his left eye. Look at the vote of Kansas: Democratic 323,902; Republican 386,624; Nebraska: Democratic 287,415, Republican 228,134; Illinois: Democratic 1,452,690, Republican 1,148,862. It is interesting to note in how many states the vote was quite close. In Minnesota, when the Farmer-Labor candidate was first, the Republican was second and the Democratic a bad third. In Wisconsin, 10,000 votes would have swung the election. If the American farmer had believed all that Santa Claus told him, farm states would have shown different results.

A man from Arizona told me that a clergyman in his town got a check for $27.00 from the relief. As the clergyman was doing fairly well, he could not understand why he got the $27.00. But later a letter appeared from the local Democratic organization telling him how grateful he ought to be for a government that was doing so nicely by him.

Now, I have not seen the letter. I have not seen the check. There is no need for Mr. Hopkins to ask me any questions about it because I do not know the answers. It is just one of those stories. But it is characteristic of what the people are beginning to believe. They believe in Santa Claus, because he is now real. He is a definite personality. Often, he is the local Congressman, more often a relief officer. But I have yet to discover anyone who likes it, even among the recipients of the checks. It seems to annoy the average man more than he likes to say, that government money should be frittered away in this manner.

Were there an opposition party in the United States, there is little doubt that it would build a huge following among the middle class people who feel that they are being ground between the NRA, protected big business and organized labor and the Santa Claus expenditures which must eventually come out of taxes or currency inflation. Such middle class folk have nowhere to turn. The Republican party is an anomalous institution and no man can know what it represents. In some places, Republican candidates for Congress talked up the New Deal better than their Democratic opponents. Such Republicans are without ideas and leadership and hop on the New Deal bandwagon, so that if elected they can get the Santa Claus costume and a false beard. Yet 12,000,000 Americans voted for them because they would not vote for the New Deal.

The middle class persons, particularly those with fixed salaries or incomes, who read a little more than the average in their communities, are wearying of this unhappy position. They want leadership. They want to fight and to win. But they do not yet find anyone who has so definite a program that the average citizen can say just what it is. Some of these people are still voting for Roosevelt Congressmen but with misgivings. In the next Congress, those misgivings will express themselves very definitely in a questioning of the wisdom of the New Deal not by Republicans but by Democrats.

This is then the next interesting political phenomenon in this country, namely, the splitting of the Democratic party, as the Republican party split in the Taft and Hoover regimes. Many Democrats speak quite freely of the difficulty of forgetting that the President and Mr. Farley gave Upton Sinclair their blessing when it appeared that he might win. Bilbo, Oleson in Minnesota, the queer LaFollette campaign in Wisconsin in which LaGuardia and Nye participated, Huey Long's presidential aspirations, Curley in Massachusetts with James Roosevelt's activities in that state, Ruth Bryan Owen's lecture barnstorming in the Middle West during the campaign when she should have been in Denmark, Miss Perkins's lectures during October, not as a politician but as a lecturer, discussing the New Deal in labor, Tugwell's Fascist speech in Rome and Farley's Santa Claus speech in Pittsburgh, Hurja's statistics on how much Roosevelt gave each Congressional district in real money, these were subjects for discussion everywhere on the eve of election.

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It is difficult to say exactly what it is in all this that is objectionable; yet the fact remains that more people are beginning not to like the picture. They argue all over the map with the inarticulateness of an unled mass, but it is quite evident that no one is happy about the state of the nation. Capital is not happy; labor is not happy; the farmer is not happy; the middle class is not happy. All classes still insist that the President means well, but in this country men do not like it said that they vote because there is money in it. They just don't like that.

These are the impressions which I have received in two months of travel over the country to determine the present temper of the people.

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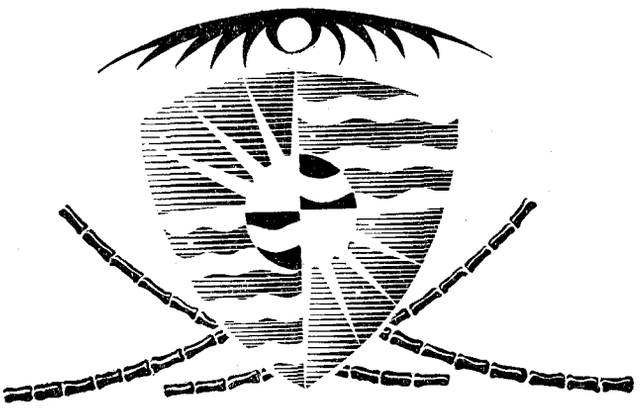
Sugar Islands



by William Atherton Du Puy

The Hawaiian Islands are preparing to fight to recover six million dollars lost to foreign competitors through "New Deal planning." Hawaii's unique defense in the impending battle is here disclosed.

HAWAII, where Presidents go in the summer time, works so assiduously and intelligently at the business of crystallizing sunshine into food for the multitude as to lay claim to practicing the best agriculture in the world.

While tragedy has stalked most farm areas in the United States, Hawaii, on her sugar plantations, has continued to produce more calories per acre than man elsewhere ever extracted from the earth.

Though Iowa farmers, knowing the possibilities of the soil, may express disbelief at the statement, it is none the less true that whole plantations yield up twelve tons to the acre of this food which begins to function in the human engine twenty minutes after it is eaten, and provides three times as much nourishment for a nickel as does bread and ten times as much as roast beef.

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And now, sitting out in the blue Pacific, this maidenly unit in the sisterhood that is America, aside from performing the first duty of her youth—and sex—which is to present herself as a thing beautiful to the eye, and aside from demonstrating the best job of farming in the world, finds that she must go into the courts and battle her harsh Uncle Samuel for her rights to produce. The government has curtailed her right to sell sugar on the mainland of America in favor of other areas, some of them foreign. She has decided to fight. The outcome will be interesting to watch.

The genesis of the industry back of the Sugar Islands began, as legend has it, when a hermit of India seeking to establish an earthly paradise for his rajah, extracted from the rank grass of the marshes, as one of its elements, a heavenly food, sweet to the taste, and new to the palate of man.

The armies of Alexander, returning from India, brought "the honey-bearing reed" to Asia Minor, where Crusaders were the first westerners to taste the crystals precipitated from its juices. They carried word of their delights home, and soon, in Spain, the Moors were growing the plant from whence they came.

Columbus is reputed to have planted the reed in Santa Domingo in 1493 and Charles V built the royal palaces in Madrid and Toledo on the returns. The nations of Europe fought for centuries for tropical islands from which to sweeten their plum puddings and punch.

Pagan Polynesians in outrigger canoes, navigated by an instrument made of a gourd, brought the seed of sugar cane with them when they crossed 3,000 miles of ocean from the east to the Hawaiian Islands.

This year these little islands are producing 1,000,000 tons of this concentrated food, as much as the world harvested in 1840, to be rationed, 100 pounds each, to 20,000,000 Americans—the most nourishment for five dollars that he is likely to buy in a year of marketing.

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This million tons of sugar from a quite limited acreage is admittedly one of the outstanding examples in all the world of a compact agricultural industry to which half a dozen sciences have brought their findings and which has transformed these islands into that same paradise sought by the Indian hermit who started it all. It may be true that the production of this million tons of sugar a year in Hawaii is the world's masterpiece in scientific farming. Let us look at some of its miracles.

Hawaii developed its industry on "Lahaina" cane, a variety which produced abundantly until a root disease attacked and blighted it. But the industry's scientists were ready to meet the emergency. They had been gathering canes from all around the world, shaking the pollen from the bloom of one into that of another, thus producing new hybrid plants that grew by the thousands in their experimental plots. One among these stood out as does an occasional genius among men. Its roots defied the menace in the soil. Under the unromantic name of "H 109" it held undisputed sway for twenty years until there recently came out of the jungles of Java a wild cane no bigger around than a pencil which proved to be such a sire that, being variously mated, produced a new plant worthy to meet it in the lists.

But hardly was this victory over root disease won when another menace, the sugar cane leafhopper, looking for all the world like a Lilliputian of the tobacco juice spitter of

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the meadows, began overrunning and quite devouring the cane fields. Again the scientists were called upon and again they came to the rescue with a parasite of the leafhopper from Australia which was so small that they had to hunt for it with microscopes. It ate up the eggs of the pest and put it out of business. The cane borer was defeated by an animal from New Zealand which you and I could not tell from a housefly and the anamola beetle was routed by a wicked little wasp from the Philippines.

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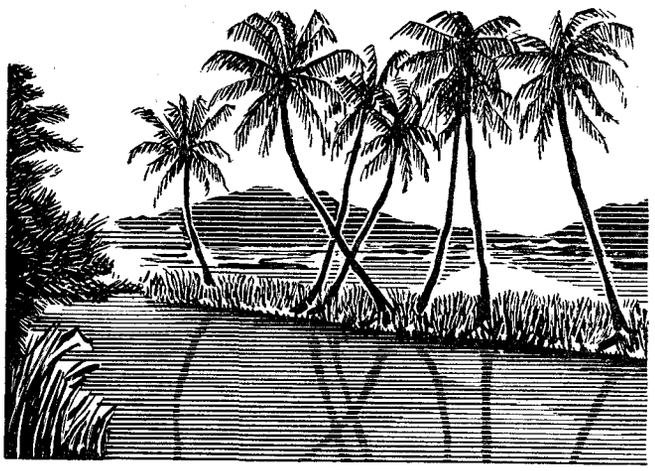
The Hawaiian Sugar Planters' Association does not wait for the Department of Agriculture to work out its problems, but spends $500,000 a year in an experiment station in Honolulu. Its own men have fought these and many other fights, have engaged in various constructive enterprises. For example they have introduced trees from all over the world, propagated them, planted millions on the watersheds, given them to whoever else would plant them, and broadcast their seeds by airplane.

Through the application of science an Hawaiian acre may produce the unbelievable crop of 150 tons of cane at a cropping and grow more fertile every year. These scientists analyze the soil of each plantation, determine its deficiency, and write the prescription in phosphates, nitrates and potash, and also strangely enough, copper, first used here as a plant appetizer, for meeting them. No place in the world is fertilizer used so prodigally and so effectively. This tall grass which yields sweetening for your coffee may be spoon fed, but it fills the sugar bowl, reciprocates in kind by feeding the spoon that dips into that container at breakfast time.

To raise an Hawaiian crop of sugar cane nineteen feet of water must be put on the land. These scientific agriculturalists have developed for their crops the world's most elaborate irrigation systems. By reservoirs, canals, flumes, syphons and pumps, water from underground and mountain side is shunted about in most extraordinary ways. Across the Island from Honolulu, for example, the perpendicular cliff of the Koolau Mountain arises to face the trade winds. It shoots them up, squeezes the water out of them, produces a prodigious amount of rain. The sugar people run a ditch along the foot of this cliff like a gutter beneath the eaves of a roof, catch the water, lead it through a tunnel three miles long to the opposite side of the mountain and spread it out on the cane. In the midst of a great cane field in Maui the visitor may go down into the earth 130 feet in an elevator. There he will find a pump in an excavated chamber gathering its supply in from side tunnels and sending to the surface as much water as is used by the city of San Francisco.

Nature's fundamental, gargantuan enterprise, from which all growth in the world comes, takes place when green leaves sit in the sun, break up the molecules of carbon dioxide of the air, combine the carbon of it with elements in the water drawn up from plant roots and convert it into sugar. That mysterious substance, chlorophyl, which makes the leaves green, working only when they sit in the sun, performs this miracle. It puts sugar in the sap of all plants and this sugar is their basic building material. They pass it on to animals that eat them and it becomes brain cells that think and muscles that do their bidding.

In Hawaiian cane fields a mass of green leaves absorb the sun's rays which pour down from directly overhead and



inaugurate the world's most perfect demonstration of this wedding of air and water that the multitude may be fed. President Roosevelt, when in Hawaii, saw fields where twenty tons of sugar were being taken from an acre at a single cropping.

A Chinaman made sugar in Hawaii in 1823; an Englishman planted a field of cane in 1825; the son of a Norwegian President began operations in the '50's; a shipwrecked Irishman set up a sugar mill in the '70's; a German from Dransfeld added his racial efficiency, Claus Spreckels, of San Francisco, played poker with a king and became interested in sugar; Baldwin and Alexander, sons of missionaries, built an irrigation ditch on Maui in the '80's; Charles Reed Bishop, of Boston, started a bank; Benjamin Dillingham, a railroad. Sugar could be cultivated only on a large scale so the plantations were incorporated and came into the ownership of whoever bought stock and so remain to this day.

There was need of laborers for the cane fields and the native Polynesians would not do. Chinese coolies were brought in, then Portuguese, Japanese, Filipinos—always the poor and lowly. They mingled and evolved, particularly since Hawaii became a part of the United States in 1900 and the American schoolhouse became a general thing in the Islands, and since 1908 when Orientals were shut out.

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A special adjustment of the understanding is needed to appreciate Hawaiian psychology, which is different from that on the mainland of America. Intellectually the Islands were dominated for eighty years before they came into the United States by missionaries from New England. They were a sturdy stock whose great enthusiasm was education. They were here to help, and their feeling for the natives was one of affection. Race prejudice, which is almost universally planted in the human heart, has no place among them. They bred worthy sons and daughters and many of these went back to New England for their schooling, returned to the Islands and participated in their development. They moulded the destiny of the community, led it into the Union, became its dominant spirits, gave it a tone which is distinctive. The missionaries' penchant for education and for helpfulness still prevails, has spread to others that were not of the group. But the absence of all race prejudice is the peculiarity of their thinking which is sometimes difficult for outsiders to understand.

The peculiar personalities of these descendants of missionaries has much to do with the operation of the modern

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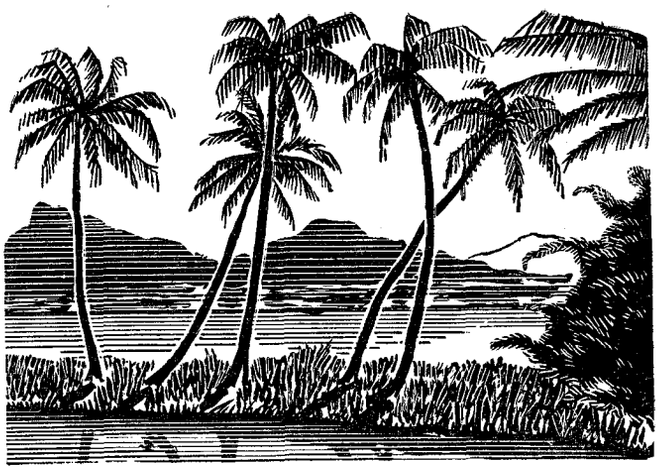

Hawaiian sugar plantation which of necessity is a complete community in itself existing under unusual conditions. The human element on the plantation is one of its chief problems. Much labor is needed and out in the middle of the Pacific there is no mass of workers upon which to draw. There is the problem there as elsewhere of the tendency of the young people, educated in their excellent schools, to drift away from agriculture and into white collar jobs. Immigration laws exclude Orientals. Filipinos may be brought in under restrictions. There is difficulty in keeping the plantations manned.

Those who see the vision of the ideal condition under which industry should exist as that of giving the employed an opportunity to live happily believe that workers should be moved out into the country and provided with a home and a bit of land. The Hawaiian sugar plantation does just this. It may cover 20,000 acres. The mill and the plantation headquarters form the nucleus around which a community of 2,000 people may revolve. The plantation provides scientifically worked out living quarters for the workers of which a typical unit may be a three-room cottage with electric light, running water, laundry and shower bath shed in the yard, and enough land to grow a garden. Schools with nine-month terms and teachers paid the same as those in Honolulu are provided. It is hard to believe, but none the less a fact, that visiting nurses, playgrounds for the children and day nurseries for the babies of working mothers are maintained on these plantations. Medical attention and hospital service are available to the workers.

One of the worries of the productive world of late has been that there has been too much sugar. An examination of requirements for continental United States indicated that about five and a half million tons would be needed for 1934. The Congress of the United States has taken cognizance of this fact and passed a law under which the amount of sugar that might be sold in the United States by different productive areas has been definitely set down. These allocations, with the single exception of Hawaii, have been made on the basis of the average production of interested areas for the most recent three years. An examination of the table below will show that the allocations have exceeded or hovered around that average three-year production in every case but one. Hawaii alone has been required to take a material cut.

This allocation, obviously, deprived Hawaii of the opportunity to sell in continental United States 93,000 tons of sugar of which she might have disposed had she been treated as well as were other areas. Hawaiian sugar culture is peculiar in that the crop grows for twenty months before it is harvested while in most areas it grows but twelve months or less. Thus it happens that the 1934 and 1935 crops were already planted. The sugar is to be produced. It may not be sold. At the present market price Hawaii will lose $6,000,000 a year. She objects to taking that loss while other producing areas are favored. She protests particularly against being cut while Cuba, which is a foreign country, and the Philippines, which are severing their relations, were not. She sets up the fact that as a territory she is an integral part of the United States with a status that legally is exactly the same as that of Colorado or Michigan which produce beet sugar and whose allocation has been materially increased. The sugar she produces is legally domestic sugar. There is no more justice or legality, she holds, in discriminating against Hawaii than there would be in saying that Colorado may produce more and Utah must produce less. And if there is legality in saying that, there should be legality in saying that Colorado may produce all she chooses and Utah may produce none at all. This sort of discrimination, Hawaii claims, is unconstitutional. If it is insisted upon there is no other alternative than an appeal to the courts. This, unfortunately, if the Hawaiian contention is sustained, would upset the whole sugar allocation scheme and destroy whatever general benefits it promises.

The revised allocation follows:

	Average production 1931-1932-1933	*Allocation for* 1934
United States Beet	1,420,667	1,556,166
Louisiana & Florida	187,666	261,034
Territory of Hawaii	1,009,000	916,550
Puerto Rico	804,666	802,842
Philippine Islands	1,029,333	1,015,185
Cuba	1,922,666	1,901,752

Hawaii, merely because she sits out in the ocean, has had a hard time getting herself treated as an integral part of the United States, which is the basis on which, as a free country, she came into the Union. The Supreme Court has confirmed this status, a special act of Congress has been passed and a visiting President recently has proclaimed it. Hawaii has paid $5,000,000 a year into the Federal Treasury for thirty-four years, and now contributes more than does anyone of seventeen states. She has sent a Delegate to Congress year after year as did other territories before they became states, has borne arms as have the states in time of war. Yet disconcerting incidents have happened from time to time. The Department of Justice has attempted to bar Hawaii from participation in monies provided for agricultural and mechanical colleges. The Comptroller of the Treasury has denied her monies for topographical surveys. Each time such a situation has arisen the blood of the Islands, that harks back to participants in a certain Boston tea party, has rebelled and little Hawaii has asserted her rights to big Samuel and every time she has won.

Today she is playing her accustomed role. She is fighting for the fact that her million tons of sugar is domestically produced and cannot be unconstitutionally discriminated against. She is sending it as raw sugar to continental United States in American bottoms in the way coastwise freight must ride. There it enters its own refinery in the environs of San Francisco—the largest in the world—and establishes a truly American industry. It is brown when it arrives because its grains are covered with molasses.

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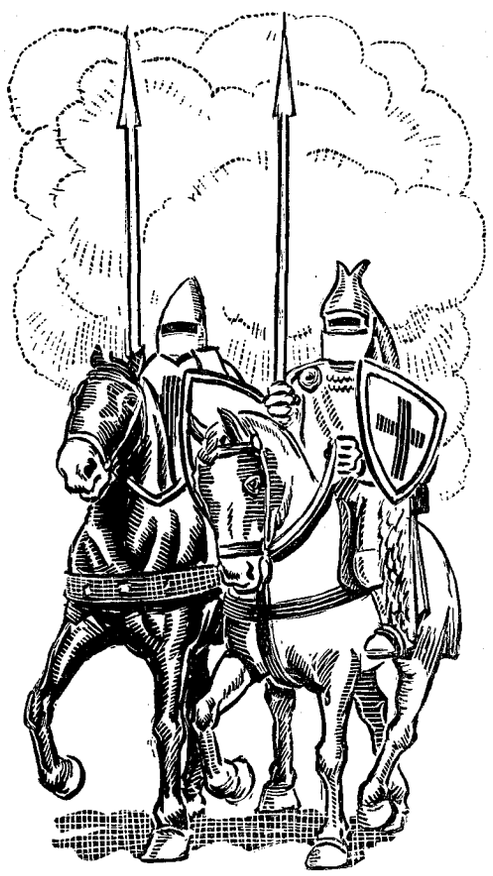
The Good Die Young

by George Andrews

To be, or not to be — civil service; to stand, or to desert; to fight or to accept the inevitable! Here is the quandary of 1,000 *young Junior Brain Trusters who do not want to wear alpaca coats.*

Is the children's crusade over?



THE triumph of youth along the Potomac is fading. The young men and the young women who went to Washington a year or more ago, afire with plans to save the world, the United States and the principles of social justice, are retreating from their first fine enthusiasm into defeat, some with resignation, some with bitterness, many with cynical despair. The world has not been saved. Social justice has not yet been established, and at present progress, seems likely not to be. The United States remains much the same old obdurate land of individualists, profit seekers and stubborn materialists that it was before the young salvationists began their work. The Administration has had a heavy hand in the process of disillusionment. The régime that was to lead us out of the economic, social and ethical wilderness has shaken off much of its earlier idealism and returned to the natural rôle of all Administrations—the pursuit of politics. The New Deal is shrinking back to normal proportions—to the limits of party maneuvering, the boundaries of ward, state and national power. The young men and women who had hopes to keep its ambitions on higher and purer lines have failed in their task. The children's crusade has been repulsed. The crusaders are a chastened and a sadder group.

Most people who suffer a severe disillusionment have only themselves to blame for having been deceived in the first place. Their own credulity is at fault, for no one asked them to put their faith in the man or in the institution which betrayed them. These young people are in a different class. They were asked to come to Washington in the most urgent terms, to put the promises of the New Deal into action. Their elders came to them and in effect said, we need you. A new social order is coming into being. It needs your specialized training, your ability, your capacity for work and more than anything else, your enthusiasm—to bring it to life. This, the elders said, is a new departure in the history of America. If you want a hand in the rebirth of society, come and work with us at Washington. Your reward will be in the knowledge of a good job well done, in the thrills and excitement of attending a social renascence, and in the generous taste of power such a job can offer. The young people responded willingly; but it should be remembered that while they were eager to come, they came at the insistence of their seniors. They did not volunteer so much as they were drafted, persuaded to enlist in the great offensive for a new and more civilized way of life.

The promises made to them in this persuasion were generous, exciting and (perhaps this contributed to the exciting quality), vague. Almost no conditions were attached. There were no strings, either on the conditions or the nature of the work expected. They were not to be ordinary civil servants, drudging their lives away in governmental bureaus, with only two prospects of release—retirement or death. They would not be required to punch time clocks, to wear alpaca coats, to write dismal columns of figures in ledgers or to compose endless reports on subjects of no conceivable interest or value. They were to be bolder, freer souls—to be people of affairs, not of routine

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tasks. And the job they were asked to do was the kind no young person has ever been able to resist—the job of remaking America. Had not one of their own leaders, Rexford Guy Tugwell, once written, "I have gathered my tools and my charts; . . . I shall roll up my sleeves—make America over!"

This was the motto to which the young folk began their work, nearly a thousand of them, which may be grouped for study purposes under the generic title, Junior Brain Trusters. They were, for the most part, young men from the colleges and universities of the larger eastern cities. None of them was appointed for political reasons, because their Congressman demanded it, or because father or uncle held the key to votes or to a strategic political position. Many of them came in as protégés of the Senior Brain Trusters themselves, brought from the classrooms by Tugwell, Moley and Frankfurter—Professor Frankfurter being especially successful in drafting students and recent graduates from the Harvard Law School. Some were young instructors with brilliant records in the more progressive universities, others were graduate assistants with recently acquired Ph.D.'s. some even were simple Bachelors of the Arts who had done exceptionally good work under their patrons. And above all their immediate patrons, the men who brought them to Washington, stood the grand figure of Justice Brandeis, long known as sympathetic to youth and active in urging its advancement.

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They took more than half the new positions in the alphabetical agencies, jobs that had been so hurriedly created that Congress was not yet able to get its hands upon them. The new places were, for the most part, free from both Civil Service requirements as well as from patronage. In those early days, before the Postmaster General had reached his present stride, the young men had nothing to fear either from bureaucracy or politics. The AAA, for example, was staffed fifty per cent with such appointments. and control of all the important places was in the hands of the new government intelligentsia; the typists, stenographers and filing clerks were all that was left to the old system. The NRA, the PWA and the FERA were filled with the new class of young public servants. The more liberal or left-wing places in these agencies were their special preserve—the Consumers' Advisory Board and the various Labor Boards of the NRA, for example. Almost all the legal work in the NRA and the AAA was in their hands. The chief exception to the rule of youth was, curiously, in perhaps the most frankly experimental of the New Deal's social laboratories, the Tennessee Valley Authority, where a conservative eccentricity of the Administrator kept it out. But the rest of the Administration's social experiments were filled with the intelligent, progressive, fast thinking youth of America.

These young men were not Reds. The inquiring Dr. Wirt to the contrary, there were no Bolsheviks among the young New Dealers, no incipient Lenins waiting for the signal to oust the Kerensky of the White House. They were not bent on shoving Russian methods or Five-Year Plans on a reluctant country. Most of them were not even sympathetic to the Soviet Union, and looked on Communists, Russian and otherwise, as people carried away from reason by their emotions. The young New Dealers were superior to all that. They were technicians, hard-headed if embryonic administrators, not believers in any political creed; they were above the *mêlée* of conflicting utopianisms.

Those who came from the bigger and older universities—especially the Harvard and Yale contingents—were as firm in their belief in the capitalist-profit system as Mr. Roosevelt or even Dr. Wirt himself. They believed, however, that it should and could be made to work on more equitable lines. They believed that America, with its wealth and technical ability, could provide food, clothing and shelter for all, and that no social upheaval, with all the discomforts and rigors of revolution that it implied was needed in the process. In this innocent belief they were again following the precepts of their elders. President Roosevelt, Miss Perkins, Secretary Wallace, Mr. Ickes, had all made scores of speeches and had written dozens of articles, pamphlets and books to prove the point, had declared that America was due for a new era, that it was time "to treat ourselves to a little civilization."

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The young folk had taken another belief from above too; the belief that America's rebirth was only waiting for the removal of certain highly individualized, highly personalized obstacles. These were the bankers, the reactionary business men (good business men were, of course, the ones who supported the New Deal) and the individualists. Once they were hoisted out of the way, the social renascence would come almost of its own accord. Here again the higher powers were leading the way. The inaugural address and several subsequent speeches on bankers and banking methods seemed to establish the line. General Johnson's early lashings against the dinosaurs and the Neanderthals of industry were music to young and progressive ears. Brain Truster Tugwell, it was remembered, was not only powerful in White House councils—he had also been a contributing editor of the *New Republic,* organ of the more sophisticated pinks. He was also known at Columbia for his defense of advanced ideas. Miss Perkins was, to the young people, a person with notorious sympathies for labor. Had she not begun her labor career as far back as 1910, before most of the junior intelligentsia were out of kindergarten? Secretary Ickes, they had vaguely heard, was an old time Progressive from the Middle West, where plenty of good men had appeared to do battle with predatory, vested interests. Wallace of Agriculture had been for years a crusading editor. Hull was simply an old-fashioned liberal gentleman, but it was felt that Moley would be able to keep the State Department awake.

These then were the ones who would be their superiors, their guides, leaders and friends. If the young people

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thought of conservative elements in the official family, of men with an economical turn of mind like Lewis Douglas, or of bankers like James M. Warburg, or politicians like Mr. Farley, they tended to push the disquieting knowledge into the back of their minds. After all Mr. Roosevelt had to be something of a politician, and if occasionally he selected a Tory adviser that was largely for appearance sake. They, the young folk, knew that he was planning a new birth for America as eagerly as themselves. They would not be bothered by the occasional gesture to the conservative benches.

From the first day the excitement was all that had been promised. Washington, after years of somnolence under the older Civil Service tradition, was taken by storm. The enthusiastic young people swarmed into government buildings, took over space, shoved desks around and generally set up a commotion worthy of the heralds of the new dawn. The older brood of government servants were horrified, but they had to endure. These young people were the inheritors of the new earth, and they were not in the least shy about showing it. Veteran employees, used to the quiet routine of government business before the days when government was considered to matter very much, were heard to murmur among themselves, but no one listened.

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Among other things the young people did, they upset the age-old custom of dawdling through the civil service day with one eye on the clock and the other on the promotion lists. They actually worked, long hours, at top speed —with reckless disregard for the proprieties of public employment. Ten, twelve, and, when things were really humming, eighteen hours made a normal day. At night the young New Dealers crept exhausted to makeshift lodgings (living quarters were at a premium) or, more often, to a favorite speakeasy or restaurant, there to continue the work of remaking America till dawn. Nobody slept very much during that first period of New Deal activity. There was too much going on, the air was too electric with change, high pitched planning, and optimism.

One of the pleasantest features of the new life was the relationship between the young people and their superiors. It was anything but official, in the usual deadening style of the civil service hierarchy. The spirit of the college seminar—which both had so recently left—was maintained. The young men were not automata carrying out orders from department heads they never saw. They were partners in a gigantic enterprise, just as they had been partners in the pursuit of knowledge in college discussion groups. As such, their comments and their advice on momentous problems were not only listened to, they were insistently requested. Often enough their advice was also followed in matters of considerable importance, if not in the actual formation of policies (seniority must keep some of its privileges), certainly in the ways and means employed in carrying them out. The young people were made to believe that they were wanted in the business of running the country, that their thought was valuable and necessary to the work of governing 126,000,000 people.

The informal relationship continued out of office hours as well as in. Some of the Junior Brainsmen not only worked with their former professors, but shared apartments with them too. It is small wonder that most of the young people were stimulated to the point of worship for their patrons. In the colleges they had admired their professors as good students always do. Now that they were sharing grips with reality with the same men, the admiration was naturally magnified. The intellectual leader who had shown them the way to truth and light in the classroom was showing the nation the same path in practical affairs. For the young people assisting in the mission it was a build-up seldom experienced.

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It was impossible in this gay and fast moving world to worry about the future—the individual future, that is. The national future was, of course, the object of everyone's thought and work. If the notion occasionally struck home that the work they were doing was after all an emergency program, they dismissed it as quickly as it came to them. The official titles of most of the bureaus and agencies under which they worked contained definite provisions for their termination. The NIRA, for example, was designed for no more than two years of life—at least according to the Congressional bill setting it up. The AAA had a definite job to do, which the framers of the act had optimistically hoped would one day be accomplished and therefore ended. This emergency nature, with its limitations on time of accomplishment, was a large part of the persuasion that the Administration thought necessary to use in presenting its case for drastic action to the country. It was also an excellent excuse for the galloping tempo of the work under way.

But the young people had two ways of thinking about this question. While they knew the first exciting pace could hardly be kept up forever—if only because exhaustion and nervous breakdown would intervene—they did not seriously contemplate that the program would come to a final end. Even with the return of prosperity and the resumption of "normal" conditions, the economy of America would still have need of their services. Had not the old untrammeled individualism of the past, encouraged by a do-nothing school of government, put the nation into its present mess? Once out of that mess, the grateful nation could not hand itself back to the wreckers who had ravished it before. Surely, they felt, Mr. Roosevelt knew this. In using the word "emergency" then he was simply making another political play—not in very good taste, perhaps, but unavoidable in a democracy such as ours. The good work they were beginning would continue, if only because it was so good and so necessary that the nation could not live a healthy life again without it.

The first blows came in the handling of the industrial codes under the NRA. In the beginning, when the indus-

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trialists themselves came to Washington begging to be regulated, things looked not only rosy for the cause of national planning, but simple as well. All that was required was to draw up brief and clear regulations, have them signed by a forward-looking President, and put in force. Procedure would be on three simple bases—worker and consumer welfare as the first two, and a fair but scrupulously small profit for the manufacturer, a backward third. The NIRA legislation had written workers' interests into the main body of the act itself, to be applied to every code. Section 7-a, guaranteeing the right of collective bargaining, was all that the most sympathetic to labor could desire. Any difficulties that might rise about enforcement could be handled later. Consumers' interests would be seen to by the Consumers' Advisory Board, set up at the same time as the NRA machinery. This Board, it was true, did not have much authority actually written down, but it was felt that it carried something almost as good—moral force. And since the new powers in government represented just those liberal elements that had long stood for a better deal to the poor, the humble and the previously outcast consumer, his welfare seemed assured. As for the manufacturer, he could look after himself. And even if he were a little neglected in the general outpouring of blessings, the young people at least would not mourn.

But the young folk left a number of adversaries out of their reckoning, or underestimated those they did count in. They forgot, for one thing, that lobbying had not quite been abolished in the landslide of 1932. For a while, intimidated by the apparent rout of everything they held good, the vested interests hung back. Several codes involving distinct invasions of the old right to profit by labor's sweat and consumers' pocketbook were allowed to pass. Then the interests gathered strength again. Small codes were one thing. The idealists and the liberals could practise on them to their hearts' content. But when it came to something real, to some code dealing with a first rank industry, quick and powerful opposition developed. Lobbies appeared, seeming to spring almost out of the ground. What is more, they had remarkably little trouble in getting their message to high-ranking official ears. They were not indignantly ordered out of the New Deal temple; as a matter of fact, some of the prominent guardians actually seemed glad to see them.

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Section 7-a began to undergo several new and remarkable interpretations. The automobile industry was among the first to suffer doubts about the original purity of meaning. It came forward with an alternative interpretation embodied in the famous "merit clause" in the matter of employee dismissal. To the young New Dealers, this meant only one thing—that the industry had found a way to preserve its ancient custom of crippling unions by boycott of organizers and members. At first hearing they were able to assure themselves that it would never pass the official watch dogs. Surely anyone could see how it contradicted the whole purpose of the Labor Charter, so widely proclaimed by Miss Perkins, the American Federation of Labor, and acknowledged by the President himself. Yet the code containing this iniquitous provision was prepared, passed and signed. And the bosses' defiance did not end with this. Henry Ford carried recalcitrance a step further in refusing to have anything to do with any kind of code. For a while the roaring General fumed and blustered, but acute ears soon detected a diminishing pitch in his cries. The $500 a day fine and the six months' imprisonment promised for just such violations did not materialize. And after a few weeks of sham battle, Mr. Ford was even able to secure government contracts, in spite of the fact that he had defied government laws.

The steel code was another step in the lesson of disillusionment. Here monopoly, price fixing and the maintenance of the company union were permitted in the face of announced policy to the contrary. The Weirton Company even blocked the efforts of government investigators to study company dominated elections, and escaped destruction from on high. The Budd Company, another leader in the industry, was more vigorously rebuked, but within a few weeks visitors to its plants could see an "Employees' Representation Plan" in full swing.

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The Consumers' Advisory Board which had been hailed as the first line of protection for the man in the street was also allowed to lapse for lack of official support. Here the sabotage, while not so quickly executed, was even more painful. The Board that had promised so much to the meek and down-trodden was strangled, not only by indifference, but by open refusal even to grant it financial support for the work it was supposed to carry out. A similar slighting of the ultimate buyer was shown in the drawing of the food codes, when the industry's refusal to accept standard rules for grading was accepted with no official protest. The new Food and Drug Bill, backed by no less a personage than Assistant Secretary of Agriculture Tugwell, and designed to give long overdue protection against adulteration, medicinal lying and downright poisoning, was completely emasculated in a Democratic controlled Senate Committee, with one of Roosevelt's most vocal supporters as leading assassin. A word from the President would have saved it, but, in spite of Professor Tugwell's White House intimacy, the word was not spoken. Consumers, in truth, were the victims of much of the most flagrant New Deal betrayal of the liberal cause.

The New Deal record in the matter of strikes supplied the sharpest blow to the faith of those who had been most responsive to its liberal protestations. The faith of labor supporters, and of labor itself, that the Administration was wholly sympathetic to labor's effort at improvement of wage and hour conditions was shattered. The White House intervention in the proposed automobile strike was an outstanding example. The settlement of the cotton textile dispute, made on the basis of a Presidential report that promised nothing whatever to the workers, was another. In between the disappointing conclusion dawned that the President, while upholding the rights of labor in every one of his fireside broadcasts, had no intention of backing his protestations with action. The NRA, once regarded as the beginning of a new era in labor rights and welfare, was simply added to the list of "repressive devices" that the wicked Republicans of old had once employed.

Finally there was *Farleyism,* brought to its fullest flower in the last elections. The young idealists of the new dispensation, coming into office not as the result of political pull but on their intellectual merits alone, were not only surprised, they were horrified when they found how deeply politics led into the White House. If they were not Reds, they were firm supporters of the various Progressives and

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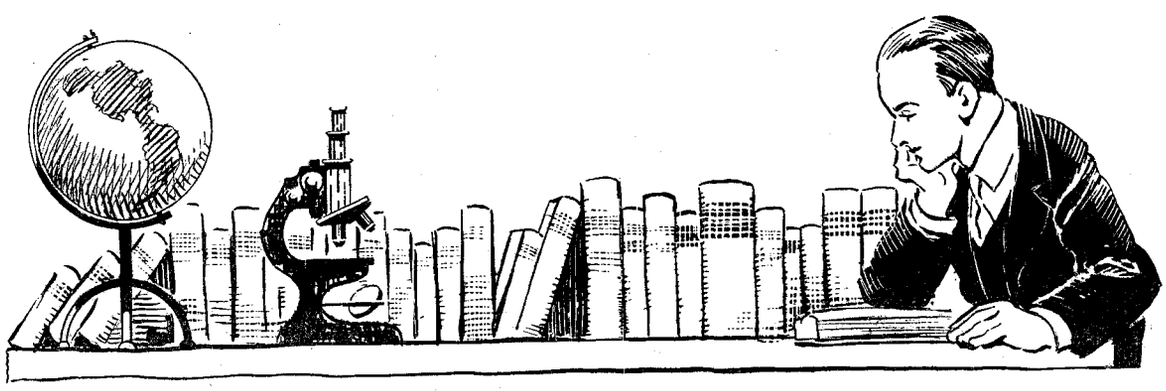
radical bloc members who were standing for re-election to the House and Senate. They looked to President Roosevelt to give his support to such men as the LaFollettes, who had supported him, to Cutting of New Mexico, who had also been a consistent New Deal champion—even to Upton Sinclair who, if he were a hare-brained utopian, at least promised to redeem California from the Tory ranks. The support was not given. A faint word was said for Bob LaFollette, months before the election—nothing at all for his brother Phil, who was running for the Wisconsin governorship. Cutting was ignored in favor of a Democratic war horse who had nothing more than party regularity to recommend him. Sinclair, led to believe that the President was at least benevolently neutral, was knifed in one of the most dubious political moves on record. Farley, the apotheosis of all the generous young held in contempt, was triumphant. Those of them who held that the President while permitting certain things they frowned upon, was more the prisoner of circumstances than the conscious agent of political and financial expediency, were undeceived.

The disillusionment is bitter. From an exhilarating few months as junior prophets of the new dawn the young people have found themselves reduced to the status of minor employees working for a government that has alienated most of their earlier confidence. The stimulus of Washington life has vanished. Routine tasks are replacing the racing activity of the first weeks when America's rebirth was under way. Perhaps—(Who knows?)—the future contains nothing more exciting after all than the alpaca coats, the clock watching and the dawdling nine to five régime of the conventional civil servant. It is a dismal prospect for the strongest to face. Already some are shying away from it, coming back to their old posts as college instructors, or gratefully falling into what business places may be available for their talents.

When one has embarked on some course with high and idealistic hopes for its achievement, and finds only disillusionment at the end, it is natural to look for some clue to one's mistake. Most of these young people have inquiring minds, and they are hunting for some such explanation. The cynical are finding it in their own credulity, and making up their minds never to be deceived again. The more embittered ones are convinced that the ideal of public service is false, that they should never have attempted to carry out their social dreams in a political framework. Some—perhaps the hardest thinking of the group—are concluding that the New Deal from the beginning did not offer anything approaching the reality of social advance that it promised. They are even realizing that such promises could not be carried out, however sincere the promisers tried to do so, while the present social and economic system is maintained. This group is refusing to accept the dull future offered to those who remain, and its members are leaving government service in droves.



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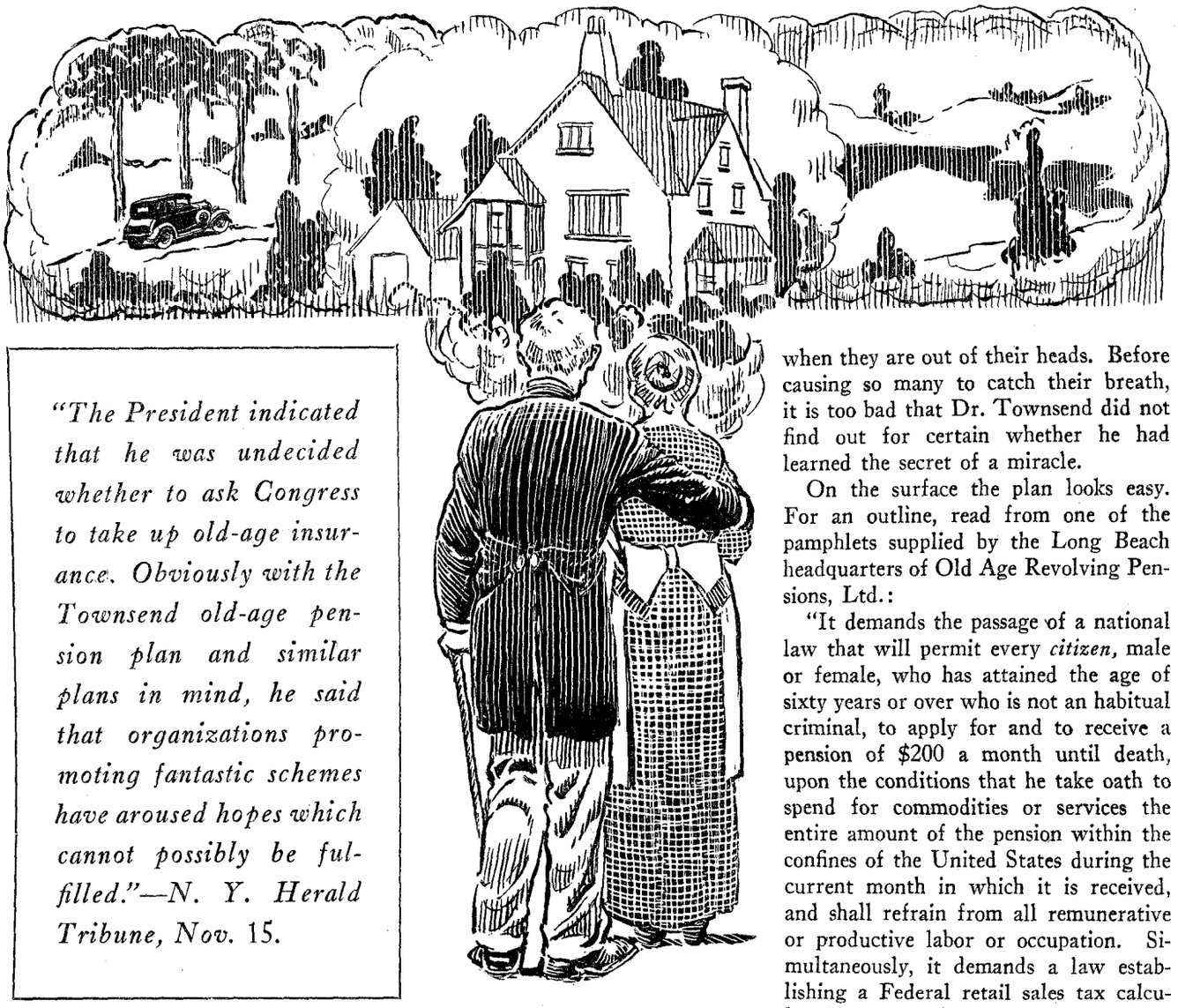
To Utopia on a Townsend Pension

by Seth Axley



"The President indicated that he was undecided whether to ask Congress to take up old-age insurance. Obviously with the Townsend old-age pension plan and similar plans in mind, he said that organizations promoting fantastic schemes have aroused hopes which cannot possibly be fulfilled."—N. Y. Herald Tribune, Nov. 15.

LIKE all other Utopias, the Townsend Plan looks, at a distance, like a corner of Paradise. If it could be made to work, it would give to people of 60 more ready cash than most of them had ever seen and make their old age, for a time, as shining as their youth. For many who are hopeless, it would change the world overnight from a cavern to a fairyland where all dreams come true.

It is not simply because it looks like Heaven that the plan is sweeping the country. It is winning by convincing many that it could run under its own power. It names a place where the money is to be raised, and at least it assumes, this money would increase production to pay for the well-being.

The fact that so many trust it, however, is no guaranty that it would work. After five years on an empty stomach, the country is more fit for dreaming than for reasoning. Today people can no more be blamed for following Utopians than they can be blamed for what they see and say when they are out of their heads. Before causing so many to catch their breath, it is too bad that Dr. Townsend did not find out for certain whether he had learned the secret of a miracle.

On the surface the plan looks easy. For an outline, read from one of the pamphlets supplied by the Long Beach headquarters of Old Age Revolving Pensions, Ltd.:

"It demands the passage of a national law that will permit every *citizen,* male or female, who has attained the age of sixty years or over who is not an habitual criminal, to apply for and to receive a pension of $200 a month until death, upon the conditions that he take oath to spend for commodities or services the entire amount of the pension within the confines of the United States during the current month in which it is received, and shall refrain from all remunerative or productive labor or occupation. Simultaneously, it demands a law establishing a Federal retail sales tax calculated at a rate (low on necessities, high on luxuries) just sufficient to raise the money necessary for the pension roll."

This sales tax is the source of the power on which the plan is to run. What is needed, the pamphlet says further, is a system of circulating money. The malady afflicting the country is an almost total loss of buying power on the part of the general public. With natural resources as great as ever, as many willing hands, facilities the best which civilized man has yet produced, and as much money in existence, it asks, "Why the stagnation, where is the missing link in the chain of distribution? The answer is obvious. Money does not circulate. It stagnates in bank vaults and treasuries. The general public that creates all markets do not have access to it and consequently cannot buy."

Since many people over sixty are not citizens and many others would be needed in posts of importance, it is assumed that of the 10,300,000 people of sixty and beyond, 8,000,000 might be expected to apply for the pension. Payments to

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this number would mean $1,600,000,000 circulating in the channels of trade monthly. Immediately, all machinery of production would be started at high speed. Jobs would be plentiful, wages high, and the standard of living advanced to the approximate level of the pay received by the retiring elders. Necessity for higher prices would be practically eliminated by the savings on organized charity and crime, as few would jeopardize their rights to the benefits by making crime their trade.

Apparently, a practical Utopia—self-supporting, requiring not more money, but circulating money. Where is there any mistake?

If the plan would work for some 10,000,000 older people, it ought to work for other people. Suppose, instead, that we pass around $200 a month to some 10,000,000 unemployed, on condition that they spend it during the month. Even Congressmen turn pale. The government can't even pass around stew for the unemployed without borrowing. Yet, is it so important who does the spending?

Here is the difference mentioned. The unemployed are to be put to work on the spending power from a retail sales tax. But it is in doing the arithmetic of this tax that the promoters begin to reel. The job of raising one-tenth of this tax would drive most Congressmen to end their remaining years in caves.

Dr. Townsend, in one of his pamphlets, states, "A rate of 10 per cent should be sufficient, if levied on all sales, to meet the pension roll." Probably the Doctor's estimate was based on some fascinating figuring by his associate, Robert E. Clements. Writing in the *Modern Crusader* recently, Mr. Clements places the volume of retail sales in the United States in 1929 at "a little more than $87,000,000,000," which is somewhat above the $50,033,867,000 mentioned by the government Census of Distribution. Mr. Clements then observes that the United States Chamber of Commerce figures that every dollar spent in retail trade turns over at least ten times before it is permanently "retired." He thus calculates that the spending by the 10,000,000 pensioners ($2,400 each) would generate a retail turnover of $240,000,000,000 a year. To this he would add the $33,000,000,000 retail business of 1933. So, his comptometer tells him these pension payments would create at least eight times the present volume of business.

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Dr. Townsend, presumably accepting this figure for sales, then may have worked backward to arrive at a 10 per cent tax to raise $24,000,000,000.

If Mr. Clements is right, it is plain that he has a way with sales that no sales manager has ever learned. But in 1929, when the national income was at a record of $90,000,000,000 and when we were spending nearly all we could earn and borrow, retail trade was only $87,000,000, according to his own figures, and only $50,000,000,000 actually, and equivalent to only $40,000,000,000 at today's cost of living. Either we should have spent five times as much as we did, or Mr. Clements is blowing bubbles.

Retail trade is not made up of fifty billion, or even thirty-three billion, separate dollars. It is developed by a few billions which clink on store counters, then serves time in a bank vault, then clink again, ten or more times a year. The retail trade figure is the figure *after* the turnover. One of Mr. Clements' mistakes is in assuming that there would be 24,000,000,000 separate new dollars which would turn over ten times a year. By his own arrangement, the pension would be only $2,000,000,000, which would turn over once a month. Another is that these dollars, in every turnover, would buy something taxable at retail. Actually, in some of the turnovers they would pay for train-loads of goods at wholesale, pay wages, taxes, insurance, doctor bills, freight charges, go for securities or presents, and pay off bets.

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Unfortunately, the grocery stores and the laundries would have to collect the tax, not on Mr. Clements' figures, but on their own, when the national income is about $45,000,000,000 a year and retail trade around $35,000,000,000. Assuming, for simplicity, a total annual pension of $20,000,000,000, the required tax would therefore average, not 10 per cent, but far over 50 per cent! Instead of paying 50 cents for a 10-pound sack of flour, we would pay 75 cents; instead of paying 30 cents for a can of coffee, we would pay 45 cents. Under such a scale of prices, how many could keep their homes intact today? Or, if the tax would be low on necessities and high on luxuries, instead of paying 40 cents for a movie ticket, we would pay 75 cents. Imagine the theatres without lights but with plenty of echoes, and the stillness that there would be in Hollywood.

Already, spending is being discouraged by rising prices. At 76 in September, the Federal Reserve Board's index of department store sales showed a gain of 8.5 per cent over the average for 1932 and of 13.4 per cent over the average for 1933, but most of the gain evaporates when we look at the Fairchild index of prices. From 1932 (average) to last September, this had climbed over 12 per cent. Evidently, it took wider employment, higher wages, and a billion or more of farm and other direct relief simply to keep even. Sales of six grocery chains were even lower in 1933 than in 1932, and the Great Atlantic and Pacific Tea Company, the country's largest food distributor, in the first four months of this year, moved a little less tonnage than in the first four months of 1933, the most critical months of the Depression.

Also, buyers shy from even a moderate tax. In California, there is a retail sales tax of 2½ per cent, with no tax on sales under 15 cents and one cent on sales between 15 and 59 cents. To avoid paying even one extra penny, housewives travel through more stores. This tax does not yield enough to pay $200 a month to the people of 60 in a city the size of Oakland, Calif. Suppose it were twenty times 2½ per cent. Even millions who have jobs would be forced to go without cosmetics or meals.

Would production expand? In all probability, it would shrink. To create 10,000,000 spenders, the scheme would pinch 100,000,000 others. By design, it is to run on the air pressure in empty pockets. Yet the very trouble the pamphlets complain about is "an almost total loss of buying power on the part of the general public."

The tax, like a desert wind, would dry up "circulating money" until it disappeared into the sands. Miracle spending demands miracle supply. Would the unemployed furnish it? If returned to work, they would need to turn out as much as they ever did, plus what the retiring elders have been producing, plus what would be needed to give these few almost one-fourth of the maximum ($90,000,000,000) the country ever earned. How many would be willing to work, say 10 to 12 hours a day, to earn the tax for the old

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folks' checks? By stipulation, the plan is not to run on something for nothing. But is Utopia made out of overtime?

In arranging to pay a fancy bonus to 10,300,000 without working, the plan appears to have been stewed in the same pot with the one which pays farmers for not planting. If that is the road to prosperity, why not raise the old folks' pay to $300?

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The sponsors of this plan are counting on various savings. There would be no saving of the billions now being spent on unemployment. In certain regular charity, possibly, but the sum would be trifling. Remember that we are to raise $20,000,000,000 a year.

In 1931, the expenditure by states for charities, hospitals and corrections combined amounted to only $230,206,000, and by all cities over 30,000 population, $201,956,000. Only a minor portion, of course, went for persons over sixty.

In 1933, community chests in 166 cities raised $39,641,152.

The Monthy Bulletin of Social Statistics, published by the Children's Bureau of the Department of Labor, reports the total expenditure for relief in 120 cities and city areas at $455,155,090 in 1933, and, for approximately the same areas, at $234,534,000 in the first six months of this year.

C. M. Bookman, former president of the National Conference of Social Work, stated in June that we must be prepared to distribute (Federal) relief at the rate of $100,000,000 a month, and that if states and localities continued at their present rate of appropriations, from $25,000,000 to $30,000,000 more would be available. In short, around $1,500,000,000 a year.

Assuming that one person in eight on relief is over sixty, the plan would mean a saving of less than $200,000,000 a year. With the saving to regular state and city institutions, the combined saving would be perhaps $250,000,000.

No doubt the plan would eliminate a much larger amount of personal charity. Yet many persons of sixty now dependent on families or friends would not be eligible. Others of this age have a competence, and many are supporting themselves by work. Suppose 5,000,000 would be taken off private budgets. How much does their care involve? Not $200 a month. As they belong to poor families, generally, and as many are only partly dependent, the private burden probably does not exceed $30 a month for each dependent, or $360 a year. In the aggregate, there might be a saving of $1,800,000,000 a year, and with the saving to public agencies, $2,050,000,000 combined. But this is only one-tenth of the estimated cost, assuming no added burden for making the cost of living a nightmare to nearly all others.

The promoters of the plan are taking too much for granted regarding the criminal and the possible effect of the plan in reducing crime. Most criminals are young. They follow crime for a variety of reasons, because they are defective, because of early habits, or because they are driven to it for a living. But if they are hungry at twenty, they will hardly be influenced by what they are going to have at sixty. And how would a Dillinger compare the prospect of $200 a month at sixty with the "profit" to be had from looting a bank today? Considerable crime is big business.

The plan would not be self-supporting. With savings only a trifle and the tax an unbearable load, production would even decline. As the plan would at once be driven into a corner, note the escape through inflation. Congress would be asked to appropriate $2,000,000,000 for the first month, and, explains Dr. Townsend, "If prices rise much above the present level, we shall have to raise the retirement pay." If Congress can't refuse a few veterans, could it refuse voters 10,000,000 strong?

If the plan could never be financed, it is hardly necessary to consider any other objections, but it may be worth while to examine a little further the underlying fallacy.

The plan is built on the theory that prosperity can be restored by spending, no matter for what. After five hard winters, that theory hangs on like witchcraft. Following the plan would mean the direct spending of a far greater portion of the national income than ordinarily. But, as we have learned, this only re-routes the national income and favors a few industries at the expense of the rest. The "spending" cure has persistently favored cigarettes, gasoline, silk, shoes and foods, which disappear rather quickly, over railroad equipment, copper, steel, lumber, and machinery lines, such as agricultural and electrical equipment, which, being durable, are usually financed by loans, that is, somebody's savings. Repeatedly, the Federal Reserve Board has remarked that it was in these lines that unemployment was at its worst. Colonel Ayres has shown that the idleness of 5,000,000 men who are normally employed in durable goods industries is almost the whole depression. If these could be returned to work, they would put nearly everybody else to work. True, money stagnates in bank vaults and in treasuries. With taxation heavy, the currency without an anchor and inflation on its way, savers have no nerve. But does a scheme for spending the national income on the output of the light industries make savers any bolder about expanding the heavy industries? If we spent $20,000,000,000 a year on a good time for one-eighth of our people, how much would be left for workers in durable goods? The greatest income the country ever had was around $90,000,000,000, and not all of it was cash.

Even if the plan worked for a time, by discouraging saving it would run out of power before many had had a chance for a ride. Of course, this doctrine now is a little battle-scarred. In the opinion of many, most of our troubles are due to too much invention and saving and investment, and they regard any reduction in saving as cause for a holiday. If the corporations simply take care of the plant they now have, these people declare, they will still have enough efficiency to keep us everlastingly buried under over-production.

This is not the place for an extended apology for saving. All we want to find out is, whether, without saving, this engine would run down before some of us got to sixty.

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Whoever thinks of depreciation, of wear and tear from rust and usage? When the house or the car wears out, it is easy to borrow for a new one. But how easy would it be if nobody had saved? Recently, even many corporations have written their plant investment down to a dollar, to avoid heavy depreciation charges against earnings.

In addition to depreciation, there is a staggering loss from causes that are not ordinary—from accident, fire, shipwreck, earthquake, flood, tornado, hail, ice, etc. Not

(*Continued on page* 63)

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Economic War Reports

Compiled by Edward H. Collins

American Front

VOCALLY, AT LEAST, both the Administration and business have in recent weeks shown their appreciation of the fact that this country has a lop-sided foreign trade policy. Secretary Wallace has, right along, recognized that we must be prepared to reduce our production or accept "an astounding increase in imports," and Secretary Hull has stressed the importance of accepting a larger volume of goods as the most enlightened long-term method of expanding exports. Now comes the Foreign Trade Council at its twenty-first annual convention to expound the same general thesis. It is recognized both within and without the Administration, therefore, that the foreign policy of the '20's did not make sense. The question arises now: How long will it be before the fact is recognized that a policy of under-valuing the dollar is, if anything, even more absurd and more vicious from an international viewpoint? By putting the dollar down to an artificially low level we have stimulated exports, not through, but at the expense of, imports, with the result that we have simply sucked into the country about $1,000,000,000 of the one commodity for which we have no earthly need, but which other countries are going to need, in the years immediately ahead, very much. That commodity is gold.

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Canadian Front

THE ROLE which foreign trade has played in Canadian business recovery has been less important lately than it was last year. The spread of the currency depreciation idea has robbed the Canadian dollar of some of its advantage as a wedge to enter foreign markets; the currency has actually stood at a premium against the American dollar in recent months. The bloom has worn off of the Ottawa agreements. In this state of affairs the Canadian government has fallen back on the principle of direct trade negotiations with some of her best non-British customers. A start was made in the trade pact with France, and the policy is to be continued with the United States. Strong sentiment has arisen on both sides of the border to increase the exchange of goods, and Canadian chambers of commerce are urging the government to initiate trade negotiations with the United States. A survey is, accordingly, being made by the two countries to determine what commodities they might exchange without injuring the interests of either country. Fortunately, the United States apparently has something to offer Canada, for indications are that this country will have to import perhaps 50,000,000 bushels of Canadian hard wheat for milling and an undetermined amount of fodder for drought stricken middle western areas this winter. Suggestions are that Canada give freer entry to United States iron and steel, textiles, manufactured goods and fruits, while the United States would admit on better terms Canadian livestock, wheat, fish, lumber and dairy products.

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French Front

THE INTERNATIONAL TRADE SITUATION in France of late reveals a number of significant developments, including a declaration of principle by the new Flandin government in favor of freer international trade. In pursuance of this aim, France is abolishing the pernicious quota system and planning to work through tariffs alone. The country is, in addition, undertaking to achieve a 10 per cent increase in the trade of the *gold bloc* countries among themselves, and as an earnest of the French seriousness of purpose the bars are being let down immediately to admit more Belgian imports. Preliminary discussions have been started with Italy on a trade treaty, and formal negotiations are to begin in December. The Netherlands and Switzerland are next to be drawn into a trade agreement. Discussions with Germany are proceeding in the hope that some way can be found to get the Franco-German clearing agreement straightened out. The workings of this clearing arrangement have turned a normal excess of imports from Germany into a surplus of exports across the Rhine. The new government is sending Minister of Commerce Paul Marchandeau to Moscow to explore the ground for a commercial treaty. The Flandin policy is designed to reverse the foreign trade trend, which has virtually cut the trade deficit in half in the year but has seen the total foreign trade turnover decline 12 per cent in the first nine months. But in the midst of these preparations for increased foreign trade a group of French manufacturers is promoting a "Buy French" movement.

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Latin American Sector

THE UNITED STATES may have helped Canada materially by driving some securities and silver trading across the border, but that is as nothing compared with the good turn this country has done for Argentina and Brazil. Argentine exports of wheat have found a readier market with the withdrawal of the United States from foreign wheat markets, and Brazil has enlarged its cotton growing activities substantially coincident with the crop curtailment policies in effect in the United States. In the first half of 1933 Brazil exported 60,000 bales of cotton, but in the first half of this year the figure shot up to 230,000 bales. The State of Sao Paulo is enlarging its production from 160,000 bales in 1933 to 620,000 bales in 1934. America might well take note of the fact, too, that the Brazilian cotton venture is being pushed in good part by the Japanese, who bought more American cotton in the 1933-1934 season than any other country. Thirty thousand Japanese are employed in cotton raising in Brazil, sent there by the mother country, which hopes to develop its own cotton supply. The Argentine trade balance in the first nine months was 48 per cent higher than in the corresponding period last year. The expansion in exports was 27½ per cent,

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against one of 21 per cent for imports. A co-operative organization of cattle growers has been formed on a nation-wide basis to increase meat exports from Argentina through utilization of part of the profits to subsidize exports. The one-year trade treaty between Germany and Argentina is now operative. Peruvian foreign trade increased 45 per cent in the first six months over the showing for the first half of 1933. Japan, be it noted, sold 3,997,006 soles of goods to Peru in the first half year, against 1,007,188 in the previous year.

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Belgian Front

THE TENSENESS OF THE STRUGGLE that is going on in Belgium over the question whether the belga should be revalued is made manifest by the Cabinet difficulties. On this matter the Cabinet was divided, as were the business interests. In fact, the Brussels conference of the gold countries was held to devise some means of keeping Belgium from breaking away from the gold bloc by cutting the gold content of the currency by nearly 30 per cent. In spite of all of the deflationary measures which the government attempted, the adverse foreign trade balance was reduced only an insignificant amount in the first eight months, or from 30,500,000 belgas last year to 30,000,000 this year. Belgium could make no headway toward improving her trade when her chief customers were so little co-operative, France establishing quotas, Great Britain letting the gold value of the pound fall still farther, Germany discontinuing payments for imports and Holland suffering from the depression as only the gold standard countries did. In flirting with the devaluation idea Belgium finds a sympathizer in Holland, which is the next least staunch of the gold group. Switzerland did not improve their resolution to stick to gold when its hotel keepers decided to accept sterling at a rate which left the Swiss franc at a discount. This move caused the other gold countries to accuse the Swiss of disloyalty to their Brussels promises, but it is not yet established whether the hotel keepers were acting with the advice and approval of the government.

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Japanese Front

IN PRESERVING INTACT THE TIE-UP between politics and economics, the Japanese government has recently taken steps in the field of trade which let the British come off indifferently well but in which the Americans can discern only discrimination and unfriendliness. In the first place, Japan has followed up its military and political successes in Manchukuo by proceeding to the goal it had in mind from the start—claiming the Manchukuo market, the nine power treaty notwithstanding. An oil monopoly has been established in Manchukuo, damaging considerably the business of American and British oil companies in the puppet state. To American and British representations that this action violates the nine power treaty, the Japanese reply that first, they have nothing to do with the Manchukuoan monopoly and, second, Manchukuo is not a signatory to the treaty and thus cannot be bound by its terms. The new Manchukuo Oil Company has, however, obtained four-fifth of its capital from Japanese sources. A large American motor car concern has been forced to give up plans to set up an assembling plant at Dairen because of pressure brought by Manchukuo authorities, who explained that they were adhering to their policy of controlling certain industries for national defense. Again, the automobile company which profits by this exclusion of American interests is backed by Japanese manufacturers. It now appears that an automobile monopoly similar to the oil monopoly will be decreed. British feelings are being salved by the allocation to Britain for $12,500,000 of orders for supplies for the Chinese Eastern Railway, and arrangements were made by the trade mission representing the Federation of British Industries for further orders in the next few years.

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German Front

GERMANY HAS BEEN PURSUING what appears to be the vaccination principle with respect to trade with the United States. The Reich has been trying, in other words, to make that trade much worse at first in the hope that it will be better off afterward. In addition to discriminating against American holders of Dawes and Young plan bond coupons (the only holders who are not receiving full interest in the proper currency), Germany has now issued a decree which would have the effect of virtually boycotting American automobiles. The regulation of the Ministry of Economics would admit $1 worth of American automobiles for every $10 worth of German goods which the United States bought. In 1933 Germany imported about 2,000 American automobiles, whereas in the first ten months of this year the number was more than 3,000. By this strict control of imports the Reich succeeded in October in rolling up the first favorable trade balance since March, the surplus of exports over imports amounting to 16,400,000 marks. The October exports were the highest but one for the year and the imports the lowest but one. Exports were in larger volume to Italy, Russia, Austria, France, Denmark, Japan and Argentina. Germany has approached the United States with a scheme to take 500,000 bales of American cotton on a barter deal for a like value of German goods. The difficulties standing in the way of consummation of this deal are many, including especially the one of finding a market here for $30,000,000 of German manufactures. Germany has signed a comprehensive trade and debt agreement with Britain in which so many concessions have been given to the latter as to make it seem that politics was involved.

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Russian Sector

ON NOVEMBER 17, 1933, the United States Government formally recognized the government of the Soviet Union, to the accompaniment of enthusiastic predictions that we were about to witness a tremendous expansion of Russian trade. November 17, 1934, the first anniversary of the memorable exchange of notes, found these predictions, however, far from realized. The Russian export-import bank, set up to handle the necessary credits in connection with such a trade recrudescence, stands idle while our exports to the Soviet languish around the levels of a year ago. In the first nine months of 1934 they amounted to $10,940,733, which is slightly better than for the corresponding period a year ago, when the figure was $7,145,754, but which contrasts with $114,390,537 for the full year 1930. The hitch is the settlement of the Russian pre-revolutionary debt and the claims of American nationals aggregating $587,000,000. Both sides are anxious to get this diffcult problem settled, however, and the hopeful side of the picture is to be found in what seem to be pretty reliable reports that some sort of agreement will have been arrived at by January 1, 1935.

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Hitler's Hymns of Hate

by Charles E. Hewitt, Jr.

GERMANS have always liked to sing. Gay or gloomy, at work or at play, sober or stimulated, they like to sing. Hence for centuries they have had a popular proverb:

"Where the people sing, rest easily and long.
Bad-hearted people do not have a song."

So nowadays it is not surprising that the tuneful Nazi voice is heard in the land. Exploiting the Teutonic tradition that below a bellowing voice-box the heart is always pure, smart Nazi organizers have arranged that even the Hitler doctrines of Death to the Jew, Swat the Marxist, and Perish the Red have been versified and set to sweet music.

They are set to march music. It has often been said that the Nazi song-writers trampled down all opponents under the everlasting beat of the metrical feet of their marching melodies, and drowned the loudest arguments of reason under roaring waves of popular song. If Hitler's hand held a really representative scepter today, it would not be—as so many commentators have suggested—a combination whip and magician's wand; it would be the baton of a mass-chorus leader.

These Nazi ditties, however, have more than an historical significance. They still resound in every street, assembly, radio and school. Whether every German sings them or not is of little import. They are today the only songs which are sung. Their rhythm is that of the New Germany. In these refrains, that part of Germany which can still open its mouth speaks.

Friends of the Movement contend that these Brown Ballads interpret Nazism better than anything else can. Hitler's enemies claim the same.

The best known and most widely sung numbers in the "Hitler Hymnal" are as follows:

STORM TROOPS ON THE MARCH

(*S.A.* [*Sturm Abteilungen*] *Marschiert*)

With its booming march melody, this is the favorite parading song of the Storm Troops. It is also preferred by marching divisions of the German Girl's League and the Hitler Youth (Junior Storm Troops) who render it with especial gusto, because of its good tramp-time.

We're on the march through Germany,
In Adolf Hitler's company.
The Red defense we'll smash away,
The Storm Troops march—look out!—o clear the way!
The Communists to pulp we'll beat,
We're on the march—ahoy there!—clear the street!

Like this through every fight we've passed,
With blood our ranks are welded fast.
With fists clenched tight and eyes ahead,
And roadway loudly ringing with our tread.

Aplenty of our comrades brave
We've lowered to a chilly grave.
And yet, though many a body crack,
We do not fear this Red-scum murder-pack.

Though long the fight and hard the field,
We'll never weaken, never yield.
Bread, freedom, justice is our cry;
For Germany's future we will gladly die.

Through great Berlin we march tonight,
For Adolf Hitler wage our fight,
The Reds in blood we'll give a bath,
We're on the march—look out!—o clear the path!
The Communists, we'll beat to whey,
Storm Troopers march—hey, you!—make clear the way!

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THE STORM-SOLDIER

(Der Sturmsoldat)

Its rip-roaring melody has made this the Storm Troops' favorite drinking song. Because of its simple rhyme scheme and repetitive stanzas it lends itself readily to extempore variations.

O, all storm-soldiers, young and old,
Take your weapons well in hand.
The Bolshevik's on an awful tear
In the German Fatherland!
The Polack's ready to tear a chunk
From the German Fatherland!

There was once a young storm trooper lad,
O most surely that was he,
Had to leave his wife and child behind,
Yes, leave them suddenly.

Old women, they wept fearfully
And the girls they wept still more.
Then fare thee well, my sweet, sweet child,
For I'll see you nevermore.

When the young storm trooper's under fire
Then he feels right glad and gay.
When Moscow's flags before us wave
O it's that much more okay.
When Jew-blood spurts from the carving-knife
O it's that much more okay!

With a hundred ten fresh cartridges
And the pistols loaded all,
And a hand-grenade in either hand,
Bolsheviki, come and call!

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UP, UP, TO STRIFE!

(Auf, Auf, Zum Kampf)

(NOTE: *Repetitions and metrical variations modelled exactly after those of text.*)

Up, up, to strife, for strife were we created.
Up, up, to strife, to strife we march once more.
To Adolf Hitler we are dedicated,
To Hitler we shall keep the vow we swore.

We've got no fear, no fear of Moscow's red batallions,
We've got no fear of workmen's black-red-gold*.
Our enemies, to hell with these rapscallions
And all companions in their blacksheep-fold.

There stands a man as handsome as a statue;
He has, tis true, tis true, stared into many guns.
Tomorrow his corpse may there be looking at you,
The fate of many freedom champions.

Our fight is not, is not for millionaire's remuneration,
The money-changer is our enemy No. 1;
Our fight is for the honor of our nation,
For Germany we fight in unison.

**Colors of the German Republic.*

NATION TO ARMS!

(Volk Ans Gewehr)

This song has a melody so infectious as to have made it a popular dance-hit until Hitler gained power and reserved its vigorous rhythm for more dignified purposes! After the Horst Wessel Anthem, it is the most famous of Nazi dities, and is now by law prohibited from being played at "frivolous occasions."

(The irregular tramp of the metrical feet in the following translation is an accurate echo of the original; the casual rhyming-scheme is also exactly copied.)

See in the East where the dawn burns red,
A symbol of sunrise and freedom.
We'll stand by each other, both living and dead,
However our fortunes may weaken!
No more hesitation! Enough empty dreaming!
Good German blood through our veins still is streaming!
Nation to arms!

Many years went slowly by.
Betrayed were the people and plundered;
The traitors and Jews were living high,
Their victims could hardly be numbered.
A leader arose from the humblest station,
Once more gave us hope and belief in our nation.
Nation to arms!

Germans, awake! and in ONE company
March forward to glory and triumph!
Work should be free; and our will's to be free,
And valiant and boldly defiant!
Two sturdy fists are the best mediation.
There'll be no retreat now, and no hesitation!
Nation to arms!

Both young men and old men, man for man,
Embrace the new Swastika banner,
The citizen, farmer, and workingman
Are swinging the sword or the hammer.
We're fighting for Hitler, for freedom and bread.
May Germans awaken! and Jews soon be———dead!
Nation to arms!

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AS THE GOLDEN SUN OF EVENING . . .

(Als Die Goldene Abendsonne)

Favorite song of the "German Young People," giant Nazi organization embracing all the youngest boys in Germany —those between 8 *and* 12.

As the golden sun of evening
In the western sky went down,
Marched a regiment of Hitler's
Through a little country town.

Mournfully their song resounded
In that small and quiet space,
For they bore a Hitler comrade
To his final resting-place.

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To his mother in the distance
They a last salute impart,
Since her son has died so bravely
With a bullet through his heart.

Defiantly their banners fluttered
Bending low to greet the brave;
And they swore eternal vengeance
On their Hitler comrade's grave.

"Not in vain's your life been given,"
There they swore this oath anew;
Three times thundered forth the salvos,
For to Hitler he'd been true.

As the golden sun of morning
Bright the eastern sky impearled,
Marched a regiment of Hitler's
Farther on into the world.

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HORST WESSEL SONG

(*Horstwessellied*)

As national anthem of Hitler's Germany, this song has by special government decree been placed on an equal level of sanctity with "Deutschland Ueber Alles." All are expected to rise when it is played; all German patriots are expected to join in its singing. The song is named after the alleged composer of both its words and music, the dashing young student, Horst Wessel, who since being slain in a lodging house brawl by Reds in 1930, *has been elevated to the position of the Nazi movement's martyr No.* 1.

With banners high and ranks consolidated,
Storm troops are on the march with steady stride;
And comrades by Reaction and Red assassinated
In spirit still are marching at our side.

O clear the way, here comes a storm-troop fighter!
O clear the way, for a brown-clad company!
Our lucky banner makes the millions' hopes grow brighter.
Here dawns the day of bread and liberty.

The last alarm the bugles now are crying.
Here every man stands ready for the fight.
In every street the Hitler flags will soon be flying,
An early end to slavery's in sight.

With banners high and ranks consolidated,
S.A. goes marching on with steady stride;
Old comrades, whom Reaction and Red assassinated,
In spirit still are marching at our side.

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SONG OF THE BLACK BANNER

(*Lied der Schwarzen Fahne*)

This dirge of desperation is an authentic peasant folksong from the 17th Century when the fearful ravages of the Thirty Years War had driven the German farmer to Civil War. For obvious reasons the song was revived, enlarged and popularized by Nazi propagandists in the period of their fight for power. Perhaps due to carelessness, it has appeared subsequently in the official party song-book.

Black is our bread and our misery,
Black is the flag of the peasantry.
And black is the earth which the plowshare throws,
And black goes the peasant in mourning-clothes.

We plow and we sow and we work till we die,
We harvest and know not the reason why.
Whatever strong hands accomplish may
Is taken from us, is snatched away.

What little the taxes leave behind,
The interest-takers away will grind.
Whenever we sell, it does not pay;
May the devil himself be peasant today!

We've come to the end, we shall stand no more;
We peasants are desperate, we want war!
Black is our bread and our misery.
Black wave the flags of the peasantry.

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Nobody Starves!

Is New Deal relief "too efficient"? The Federal government has spent $4,000,000,000 *for relief since the Roosevelt Administration came into power. This is one of the most important facts in the history of the New Deal. What this is doing to one class of the recipients of relief in a typical mid-Western city this article discloses.*

by Ruth Steward

AN embarrassing problem claimed the attention of relief work authorities in a medium-sized middle western city recently.

One of the beneficiaries on the county rolls parked his car overtime while calling at the commissary to obtain his supply of free food and coal. The zealous officer on the beat had left him a ticket with the result that he had to appear in court and answer a summons to show why he should not pay a five-dollar fine.

The defendant, in innocent confidence, expected that the county officials would gladly advance the necessary cash. Their service was slow—it was their fault he had had to wait. He was disappointed, however, for some conscientious person started an inquiry. Why, said the objector, should public funds be used to provide shelter, fuel, food and clothing for a man who could find the money to pay for the maintenance of an automobile? This in a small city, easily covered by a good walker, and conveniently centralized.

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Someone else raised the question that perhaps many other persons on the relief rolls, accepting free rent, free food and free coal from county or Federal funds, were using what they could earn to buy gasoline for the purpose of cruising about the countryside.

Authorities started an investigation. Their books showed that 7,522 families, numbering 30,298, were receiving material aid at a cost of $187,128 or more a month. Several thousand of these were driving cars, it was proven beyond a doubt, mostly for pleasure. A smaller per cent were using their machines to bring in a part-time income in their efforts to find work.

After serious deliberation, the authorities decided that it would be impossible to continue to dispense aid to the pleasure drivers. The old argument, why should one class benefit at the expense of the others, here gained weight in an unusual direction. Why, indeed, should taxpayers — in this county paying exactly the same taxes as in 1929—be assessed to provide necessities for those persons who by some hook or crook found the means to buy luxuries? For, in an impartial analysis, gasoline and motor oil can hardly be compared with bread and shelter as the mainstays of life. Thus, after some thought, the gadabouts were given the choice of foregoing the use of their cars, or being stricken from the rolls.

The thousand who were found to be trying to make a living with their vehicles were left on.

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While contemplating the situation, it might be interesting to examine what service is offered relief families in this middle western, typically American community. First of all, a house. Remember, conditions here are totally unlike those in the eastern cities, where even rich people may be strangers to a grass yard and rarely see more than just a patch of sky.

The house may be, and probably is, located in a yard of its own in a nice, though unfashionable, part of town. It has a front porch and two stories containing six rooms. Up until 1932 it rented for anywhere from fifteen to twenty-five dollars per month. Up until then the wage-earner was pleased to get a comfortable dwelling, conveniently situated, and equipped with gas, electricity and plumbing, for such a sum. When prices tumbled, just before the Presidential election, this type of renter suddenly found he could secure a newer, smarter bungalow for as little or a trifle more than he had been paying, and he was quick to take advantage of the situation.

Suddenly, hundreds of property owners found themselves with empty houses on their hands. They had to make sharp reductions or face the probability of having houses stand vacant all winter, the water pipes freezing, the windows

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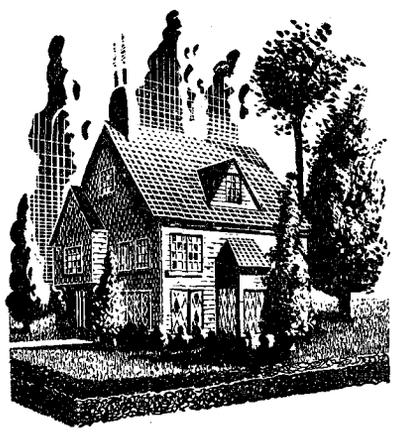
broken by mischievous boys and plumbing or electric fixtures stolen. In this city, every passerby seems to possess a skeleton key—and uses it. Let a house be tenantless, and it is at the mercy of everyone who wants to look over it, whether the owner gives his permission or not.

Thereupon, rents for the six-room, two-story house dropped to eight or ten dollars. Ten dollars became an incredible sum. Renters refused to pay it unless the house were first repapered from top to bottom, new fixtures supplied, and, preferably, a garage built at the rear. Failing this, the landlord had to be content to receive the eight dollars monthly assured by the county for its relief roll tenants. With paperhangers, plasterers and carpenters charging from five to eight dollars a day or more (spot cash), the taxpayer, in desperation, accepted what he could. His taxes were still the same, and if he fell behind in their payments, the property for which he had regularly been assessed year after year could be seized and sold for the arrears. On the eight dollar rental basis, his yearly income for the property would be ninety-six dollars—his taxes ninety, providing there were no special taxes for paving, etc. Exactly six dollars would be left to pay for upkeep and repairs—hardly a large enough sum to lay one open to the charge of being a capitalist.



Such a house, then, is occupied today by a family on the relief rolls. Sometimes, indeed, the family is large—and small children may be hard on the property; if so, it is only the owner who bears the brunt of the wear and tear. On the other hand, many of the families which receive county assistance are small, numbering not more than two or three.

Visit the home, and you will find it, in good weather, a comfortable spot with its porch and screened doors and windows, with plenty of space for a vegetable garden (for which, under the circumstances, seeds may be obtained free). In winter, the well-built old house is snug, permeated with a cozy warmth from the glowing warm coal, provided by the county, burning in the stove. In its corner a radio croons merrily all day long, almost without cessation. Explore where you will, you'll never find one of these houses without a radio. True, the radio consumes electricity, but one can manage to pay the bill when all the necessities are provided free of charge.

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Once a week paterfamilias rouses himself to go down to the commissary and bring home the bacon. Bacon, yes, and all the food he can carry: meat, vegetables, canned goods, fruits, pickles, flour, coffee, cocoa, tea—better quality and more variety than one would get in a boarding house. Good substantial food and plenty of it. Nobody starves, indeed.

Persons on relief are also, depending on circumstances, furnished with shoes and clothing paid for by the county at a scale of standard prices and specifications as agreed upon by the local merchants. Only merchants operating under the NRA codes are given the business, but among these the relief client may make his choice. Among other articles of such clothing, as itemized on the official list, are silk stockings, described as follows: "Full-fashioned silk hose: pure silk 42 gauge, service weight, with lisle top, reinforced foot—59 cents."

Serviceable stockings can be bought for much less at the variety stores of the city. Warm, nice-looking cotton ones, for as little of 15 cents a pair—decidedly more comfortable in cold weather than flimsy silk. Rayon mixtures, very decent in appearance, for 20 cents. Other grades of rayon, up to 35 cents. And for 35 cents, or three pairs for a dollar, full-fashioned silk, lisle top, in all fashionable colors, attractive enough to pass severe inspection.

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This same community also makes more than adequate provision for transients. A four-story fireproof plant, home of a prosperous rural publishing company, until the depression bankrupted it, has been taken over as a Transient Center. Located on the riverfront, it is handy to both main highways and railroad stations. Here are provided meals, baths, beds, games and recreation, also reading material. It has had as many as a thousand customers a month. Several of the more promising of these have been selected and sent to the state agricultural college, tuition free, jobs found for them that they may earn board and rooms. Others are active in various ways. They even print their own newspaper, the *"Transient Crusader,"* which advocates that newcomers to a community, like themselves, should be given the privilege of voting there.

Other buildings and houses have been repainted, made spick and span and equipped for an extension of the transient service. One such serves as a headquarters for young married couples; a second, for families with children; still a third, for unattached women. Sometimes one wonders why anybody stays home.

Now, with winter coming on, the pessimists as usual shake their heads, and wonder what is to become of us all during the cold weather.

But the really poor people don't need to worry. They are snug and warm in their little homes.

Not that any thoughtful person would begrudge this comfort and sustenance to deserving souls. . . . He might, however, contrast the standard of poverty in such a community nowadays with that, say, of Lincoln's time—the day of the log cabin and the tallow dip. Or he might contrast it with that in pre-World War days, when few of the average persons wore silk stockings or drove cars. Or even with the days—only a decade ago—when "Coolidge or Chaos" was the slogan, and a radio an investment which cost real money.

And sometimes the struggling professional or small independent worker, who must bargain in coin for everything he gets, who pays ceaseless assessments on the home and possessions he has managed to acquire, and, in addition, a sales tax on each fifteen-cent article he buys, including food, who scans coal and electric bills with an anxious eye, and foregoes a car because of the expense of license, tires and upkeep, he who is thankful that 15 and 25 cent hose are available and can never cut loose and succumb to the adventure of the beckoning highway or empty frieght-car—sometimes in reflecting on the condition of the "other half" or three quarters, he feels poor indeed!

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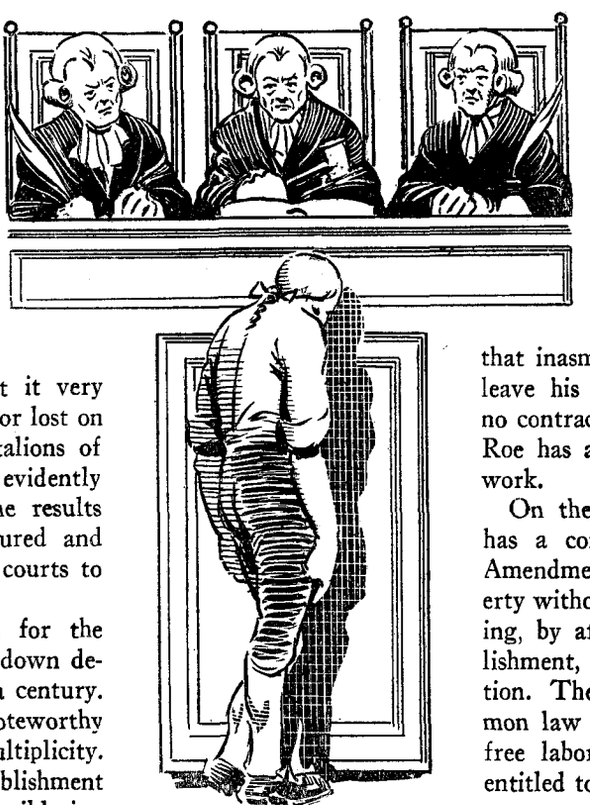
What's a Picket?

The 5,000 labor disputes which have occurred in America since the advent of the New Deal necessitate an intelligible answer to the important question, "What's a picket?" Hundreds of courts have not been able to decide.

by Victor H. Bernstein



A LABOR leader once put it very bluntly: "A strike is won or lost on the picket line." The flying battalions of pickets in the recent textile strike evidently took that message to heart. The results were sixteen dead, hundreds injured and a new batch of decisions for the courts to lay down on the right to picket.

Picketing is no new problem for the courts. They have been handing down decisions on it for more than half a century. But the decisions have been as noteworthy for their variety as for their multiplicity. The effect has been not the establishment of law, but the creation of a bewildering array of precedent which would seem to justify almost any decision at all.

New York and New Jersey have similar picketing laws. Yet, within the last two months, Mayor Fiorello H. LaGuardia of New York has been quoted as saying, "Let's go easy on picketers!" while the Mayor of Paterson, N. J., has been quoted as saying, "Picketing must stop!" Neither mayor was showing ignorance or contempt for the laws. They spoke out of personal conviction, each with the certain knowledge that he could find ample legal precedent for his attitude.

As it stands today, the right to picket would appear to be less statutory than discretionary, with the discretion in the hands of the courts. The fact that the whole question revolves about a clash of interests, rather than a single accepted principle of law, explains in part why this discretion has been used in such varying fashion.

The clash, of course, lies between the wage-earner and the employer. Each can lay claim to certain fundamental rights, upon which complicated—and contrasting—structures of legal reasoning have been built up by the courts. For labor, these rights are the constitutional one of free speech, and the common law right of anyone to tell anyone else to do anything that the second person has a right to do. The common law principle is not as complicated as it sounds. It means merely that inasmuch as John Doe has a right to leave his employment (providing there is no contract to the contrary), then Richard Roe has a right to ask John Doe to stop work.

On the other hand, the employer, too, has a constitutional weapon. The 14th Amendment forbids deprivation of property without due process of law, and picketing, by affecting the business of an establishment, has been held to be such deprivation. The employer can also cite the common law principle that he is entitled to a free labor market, just as the laborer is entitled to a free employment market (i. e., a man may choose who may work for him, and a worker may choose who may employ him). The employer has, in addition, the favoring trend of centuries of English legislation aimed at the protection of property rights of all kinds, and he has in his favor the pre-industrial age concept that all labor combinations are subject to criminal conspiracy laws.

How have these conflicting general rights been applied by legislators and the courts? During the early years of the industrial revolution, the verdicts were all for capital. In England, whence we get our common law, a workman struggling to improve his condition was confronted until 1813 with laws which limited the wages he might demand. Until 1824 he was punished as a criminal if he combined with others to maintain or raise his wages, even if he did not strike or picket. Until 1871 striking, or threatening to strike or picket, was a criminal act punishable under the conspiracy laws of the common law. Not until 1875 was the right of workers to combine in order to attain their ends fully conceded, and not until 1906 was the picket and boycott legalized.

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The attitude of the United States courts closely followed those of the English courts. Labor was repeatedly bludgeoned with the constitutional club in the one hand and the common law club in the other. The passage of the Sherman Anti-Trust Act of 1896 gave the employers an additional weapon. Under it, in all cases involving interstate businesses, organized labor activities could not only be called unconstitutional, but could (and were) also called combinations in restraint of trade.

Meanwhile, a labor class that was growing rapidly in numbers and in sense of unity began belligerently to press for its rights before both the courts and the public. A new attitude began to permeate the judiciary and the legislators of the country—that labor had the same right to organize and combine as capital. As one judge put it, "Labor is the capital of brawn and brains." In 1914 Congress, by passing the Clayton Anti-Trust Act, stamped official approval on this interpretation of the law. The act provided that nothing in the anti-trust laws shall be deemed to diminish the right of labor to organize, and it approved the right of an individual to "recommend, advise or persuade others, by peaceful and lawful means, to work or not to work, or buy or not to buy."

The Clayton Act was passed the year of the great steel strike of April, 1914. Two years later Chief Justice Taft of the United States Supreme Court, passing on a case arising out of the steel strike, formulated a doctrine regarding picketing that is today quoted more often than any other in the courts of the country. The chief justice was much struck by the difference between the peaceful picket, quietly walking up and down in front of a business establishment carrying a sign, and the unruly mobs which had gathered outside the entrances of the steel company plant. "Persistence, importunity, following and dogging become unjustifiable annoyances and obstruction," Chief Justice Taft declared. "The number of pickets in the groups constituted intimidation. We think that the strikers and their sympathizers should be limited to one at each point of egress and ingress. This is not a rule . . . each case must turn on its own circumstances."

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By this decision picketing *per se* was declared legal, but the activities of picketers were carefully circumscribed. The courts of the country pounced upon the chief justice's theory of "peaceful picketing" as the way out of what was threatening to become an embarrassing dilemma. It seemed to comport equally with the right of free speech and the rights of the employer. It has remained, with one notable amendment, the working principle of all Federal courts to this day. Passage of the Norris-LaGuardia act two years ago makes the phrase "without fraud or violence" the yardstick of legal picketing instead of the Clayton Act phrase, "peaceful and lawful." Inasmuch as "fraud or violence" would seem to be susceptible to closer definition than "peaceful and lawful," labor has hailed the substitution as a step forward.

Most labor disputes, however, fall under the jurisdiction of state rather than Federal courts. Ten states have adopted statutes which vary only moderately from the Norris-LaGuardia act. About a dozen others, including New York and New Jersey, are ruled by the principle of "peaceful picketing." In Washington, Utah and one or two other states, the courts persist in following the principle that all picketing is necessarily intimidating, and therefore illegal. In a few others (Nebraska, Kansas, Alabama, Colorado and Hawaii), legislators have prohibited by statute picketing of any kind. The result of all this is a confusing array of conflicting law and court opinions that make picketing an extremely hazardous occupation.

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Contributing to the confusion is the difficulty of defining the word "intimidating" and (in cases where state Norris-LaGuardia acts have been passed) violence. A New York judge laid down the rule that two pickets, marching backwards and forwards on a four-foot sidewalk, definitely does not constitute intimidation unless accompanied by violence or threats of violence. That was not the opinion of a New Jersey judge, who enjoined a single picket carrying a placard. He pointed out that such a single picket "might strike terror in the hearts of workers" merely by his persistent marching.

At various times, and in various states, picketers have been arrested for merely "observing"; for communicating true, false or libelous information to workers and patrons; for communication with banners and without speaking, or for speaking either calmly, in a dispassionate voice, or loudly and threateningly; for persisting in argument with one who did not want to listen; for threatening the proprietor or other workers or patrons, the threat being inherent in the picketer's mere presence, or because the picketer yelled, "Scab!" or in some fashion held up the proprietor, the patrons or employees to ridicule or social ostracism.

In practically every instance these doctrines have not only been affirmed and reaffirmed, but also contradicted, by other courts. Shouting "Scab!" for instance, is a legal occupation in the eyes of some courts, and entirely illegal in the eyes of others. One judge, perhaps secretly amused by so much legal cogitation over an epithet, declared that "strong language, natural to the man on the street under strong emotion, as it is natural to the politicians near election day and to the lawyer in the court room, may not be intimidation. . . ."

One court has declared that a picketer who bore a banner with the legend, "So-and-So is Unfair to Organized Labor," was practicing "unlawful coërcion and humiliation," despite his recognition of the fact that the legend might have been true. Another court, however, in a lengthy and closely reasoned opinion, bluntly pointed out that it was no part of the court's duty to protect a man from social ostracism or to do anything else except to guard those property rights immediately involved by the labor dispute.

So much for the confusion engendered by the word "intimidation." The picket who has so planned his activities that he thinks he can circumvent the legal pitfalls of Federal and state courts must still keep his weather eye open

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for city ordinances. Such an ordinance may prohibit picketing outright, as it did in Indianapolis with the approval of the highest state court. But even where no ordinance involving picketing is on the books, the picket is still a target of ordinances forbidding loitering, disorderly conduct, parading without a permit and a host of other activities which can convincingly be extended to forbid picketing.

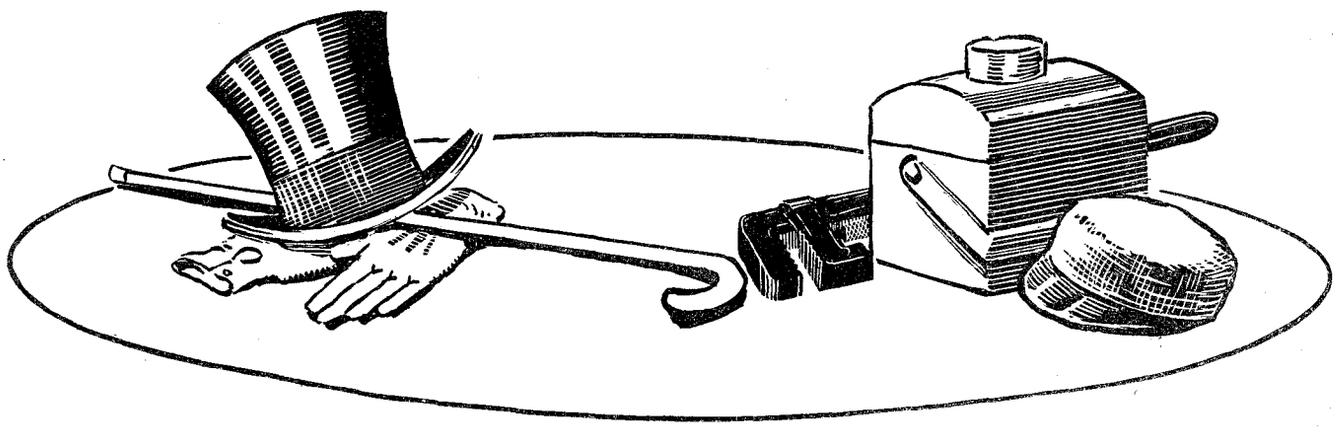
About the same time that the Indiana court was declaring constitutional an ordinance prohibiting picketing, a New York court declared that a city cannot arrest pickets for loitering. Yet the liberal New York decision did not restrain former New York City Police Commissioner O'Ryan from pursuing an antagonistic policy towards pickets. The anomaly of a police commissioner with such views working under a mayor who had attached his name to the Norris-LaGuardia Act was too great to last. That clash of opinion was one of the factors leading to the commissioner's resignation.

There is another aspect to the picketing question—picketing in non-labor disputes. A New York court has declared that, "Picketing without a strike is as legal as a strike without picketing," but his opinion differs as often as it agrees with that of other courts. In Ohio, a court upheld the right of NRA member tailors to picket a cut-rate competitor, while in Georgia a judge enjoined Negroes from picketing a grocery that did not employ colored help. Two years ago a New York City corporation counsel declared illegal the picketing of rent-strikers, while only recently a city court upheld the right of housewives to picket a bakery for a reduction in the price of bread. Again discretion appears to remain in the hands of the courts.

A Federal judge has said that "unless, by other coercive measures, the employer is prevented from obtaining men in the place of those who should cease to work, a strike is a mere weapon of straw." Labor leaders, other than taking exception to the use of the adjective "coërcive," would agree to that statement. The picket, whether he be "sandwich man" idling in front of a theater, or part of a grim mob holding down the entrance to a mill, is an indispensable element in an effective strike. Radicals among labor look forward eagerly to more "flying battalions" of pickets. They see justice for labor reared upon the ruins of factories. But for others, the real battle is going on in the courts of law, which, having granted to labor the right to strike, must now determine by what method this weapon may be made effective.

And the divergence of attitude among judges towards the picket goes deeper even than might appear on the surface. Where courts have declared for peaceful picketing, they acted on the conviction that labor and capital are equal, and they have been as conscientious to safeguard the open shop and the lockout as they have been to safeguard the right to picket and to strike.

But some few jurists do not regard the labor war as waged between two equal combatants. These see the employer as enjoying the initial advantages of property rights and property reserves denied to labor, twin sources of strength which enable him better to withstand the industrial war of attrition. What worries these jurists is not the difficulty of dispensing unequal justice to equal peoples, but of dispensing equal justice to unequal peoples. A satisfactory answer has yet to be given.



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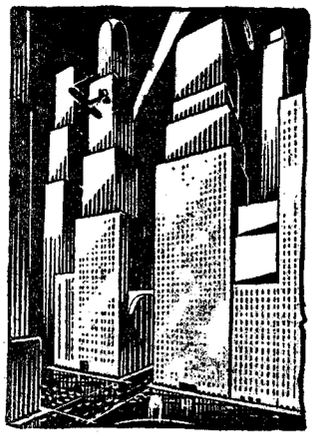
Talk of the Nation



Notes and Comment

SINCE WE WENT TO PRESS LAST the Century of Progress affair at Chicago, which wound up celebrating, not a century of progress, but 101 years of the stuff, has definitely and finally closed. On the closing day—the otherwise uneventful October 31 — the exposition entertained in royal fashion Mrs. Helen Reid, otherwise known as Visitor 16,000,000.

On that final day Visitor 16,000,000, a loyal and sixty-five year old resident of Chicago, all unconscious of the honor and distinction which she was about to confer upon herself, rose early, bustled about the apartment, finished her housework in record time, put up a little box lunch, which she carried under her arm, and set forth to enjoy a quiet, last day of sightseeing at the exposition. Imagine her surprise then when she arrived at the Fair to be hailed by a brass band, by salaaming and saluting ushers, gatekeepers and excited exposition officials. Hail to the one and only sixteenth million visitor!

Honors heaped upon Mrs. Reid in her hour of unexpected triumph included a truckload of gifts and guestship at a carnation decorated luncheon. Who got, or whatever happened to, her own home-made lunch-box luncheon we were never able to find out. The whole affair was altogether too haphazard—hardly, if you ask us, a symbol of progress at all. There ought to be more conscious training and preparation for such distinctions as that which befell Mrs. Reid. We offer the suggestion (for whatever it may be worth) that a school be opened immediately for the training of Round Number Visitors to the next world's fair.

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THE AUTOMOBILE ASSOCIATION (of England)—headquarters: Fanum House, New Coventry Street, London, W. 1.—has a cheerfully boastful and completely American way with it in making its latest report on that extremely serious problem: the increasing traffic congestion in England. Says the report, copy of which has just reached us, "Last year Esher, on the Portsmouth Road, was the peak point of traffic density in Britain. This year Mere Corner, on the Knutsford-Warrington Road, *leads handsomely.*"

P.S. Poor traffic-harassed Esher has dropped to fourth place.

●

OVER IN RUSSIA they also have been in the midst of that weird excitement—preparing for an election. They too have been beset with electioneering slogans. One of these is that old familiar, *"Get Out 100 Per Cent of the Eligible Voters!"*—or at least so we have had the thing translated for us. The translation we assume is correct for the Chief Russian Translator to the Chief Editorial Writer of the *St. Louis Post Dispatch* turned in the same answer, which, incidentally, permitted the C.E. Writer of Mr. Pulitzer's paper to fashion a very cheerful little editorial keystoned around the happy idea of progress toward democracy in the U.S.S.R., with only one tiny, little note of regret. The note, using America as a comparison, is that in Russia, in contradistinction to the good old U.S.A., they have not yet achieved two parties. What do you mean *two parties?*

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Two Factions

THE BACKWASH of our nationwide effort to find a new set of leaders and lawmakers has swept this way out of the Middle West one, and only one, story which seems worth the retelling.

It was a particularly lively campaign and the candidate of our story moved in a veritable whirlwind of enthusiasm, crowds, mass meetings and flowery speeches. Much of the enthusiasm came from one camp-follower in particular: a two hundred pound, derby-wearing, cigar-smoking, flat-footed gentleman who was serving as bodyguard and general factotum to the Candidate, while much of the flowery oratory came from the hard-worked secretary-press-agent of the party organization. Tongue very much in cheek (though the boss didn't know this) he was called upon to fill in many of the longer speeches addressed to various social groups, the fill-ins consisting of complimentary tributes to the European heritage in art and music and science of a present generation of bohunks and day laborers.

Toward the end of the campaign the candidate was called upon to address a large meeting of Italian voters. Coming from the meeting, escorted by the bodyguard and the press agent, the Candidate apologized for cutting short his address.

"I'm sorry," he said by way of apology to his press agent, "but I didn't get a chance to use that stuff about da Vinci."

Instantaneous was the approval of the bodyguard. Shifting his cigar from one side of his mouth to the other and turning as he did this on the front seat of the Candidate's Lincoln, he said, "Governor, ya done just right. While ya was talking I scouted around through the mob, and ya know what? There was two factions."

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Treasure Ship

LITTLE THOUGH AVERAGE MEN know about the monetary problems of the world in a depression, when enough of them grasp the perhaps erroneous fact that there is a shortage of gold, an em-

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barrassment which drives nations off that standard, they go to work like beavers to recover supplies of the stuff irretrievably and immemorially lost. At least that is our explanation for the current, worldwide interest in sunken treasure ships. It accounts for the present feverish activity off the island of Terschelling and the renewed effort of man to get at the long lost treasure ship, *Lutine*.

This ship, originally belonging to France but captured by the English in 1793, was a battle frigate 143 feet 3 inches in length, 36 feet 1 inch in beam, 12 feet 1 inch in depth with a displacement of 900 tons, and was armed with thirty-two cannon of the light pattern of the day with bores from 4 to 6 inches. England at the time had a naval station on the neighboring island of Texel and the marines stationed there were wanting long deferred wages. Commercial matters were not in a flourishing state and Germany was wanting gold. Consequently the Bank of England decided to send over gold bars to the value of £1,500,000 to its customers in Hamburg. For this double purpose the *Lutine* was chartered and, under the command of a Captain Skinner, sailed from Yarmouth in the early morning of October 9, 1799. The weather was not good to start with, but the wind was in the right direction so that a favorable passage was anticipated. By night the Dutch coast was reached, but the weather was so bad that it was impossible to make the little harbor of DeKoog on Texel and the vessel was driven fast and furious before the wind along the coast of Vlieland. During the night the British commander of the forces of this latter island observed signals of distress, but the weather was so severe that it was impossible to send out any help, and the next morning nothing remained of the *Lutine* except a few pieces of floating timber. On one of these a sailor managed to reach the Terschelling shore, but he was the only survivor and was so exhausted that he died during the day.

There is a legend that the bodies of the remaining 272 members of the crew were all washed ashore at one spot and were buried half a mile inland at a place known as "Doodemanskisten," that is, dead men's coffins. The site is now covered with water and no one is allowed to investigate the truth of the legend. It remains an attractive story, however, which the recent happening with the bodies of the victims of the *Oakford,* when all eleven bodies came ashore at one place, helps to strengthen. It also adds romance to a pleasant resort for avid lovers of beauty and quietness.

According to the laws of war, the *Lutine* and its treasure became the property of the State of Holland, which was an ally of France and in whose waters it was wrecked. The authorities of The Hague were not slow in taking advantage of this and, although sand was gathering very rapidly on the wreck, attempts were at once made to recover some of the lost gold. The first results were achieved in the two following summers when bullion (59 bars of gold and 25 of silver) and specie to a total value in Dutch currency of Fl.669,240, or about $112,265, were recovered. The methods then employed were of a somewhat primitive kind and the constant shifting of the sand made the work almost insuperably difficult. However, the success, though small, was of a character that justified all attempts in good weather and the chief "receiver of wrecks" accordingly applied for, and obtained an exclusive concession to attempt the salvage of the wreck on a basis of fifty-fifty with the government. The official estimate of its value at that time was about eight million dollars.

The chances of any serious results were not regarded as great, while at the same time they were such that the Dutch government thought it would be no insult to offer its half to the British King as a sign of friendly feeling now that the days of war and annexation were, for the time being, over. By a Royal decree dated May 23, 1823, therefore, the transfer was made, but with the very definite stipulation that it was not to be regarded as any recognition of the right of England to the wreck of the *Lutine* but only as a present of something belonging to Holland by right of international law. King George, "the first gentleman in Europe," was personally not very interested in the gift, being too busy giving Society an example of how to enjoy itself, and so passed it on to the Committee of Lloyds. On the strength of this the famous body of underwriters paid out a sum of £900,000 to the various claimants.

The amount was arrived at from records in the office of Lloyds which unfortunately were destroyed in the great fire which ravaged the Royal Exchange, where Lloyds carried on their business, on January 10, 1838. During this period, that is from 1814 to 1857, little was done in the way of salvage work, though from time to time some attempt was made to clear away a portion of the sand. Quite accidentally in this latter year fishermen noticed that the local current had altered somewhat and that the sand which had been heaped high over the wreck was considerably diminished. An investigation revealed that it was not more than from three to four feet thick. A Dutch engineer, M. Taurel, took advantage of this and was able during the following two years to bring to the surface no fewer than forty-six bars of gold and sixty-four bars of silver, of a value of 220,000 dollars. The difficulties, however, were very great and a diver at this time, that is in the middle of October, 1859, went down and after investigating the position reported that he "had been unable to find anything, as everything was under the sand," and advised the suspension of operations until the following spring.

For a quarter of a century after this, little was done as each report made by divers and engineers was to the same effect: the sand was too thick to allow them to reach the wreck. In 1886, however, when there was something over ten yards of sand on the top of the wreck, a local firm started work with sand pumps, in the hope of clearing away this mud and getting down to the treasure chamber of the ship. At this time a new obstruction was discovered in the shape of thick layers of rust, evidently formed by rusted cannon balls, and other ammunition. As the treasure chamber is under the arsenal it was obvious that all these masses of rust, some of them several yards in thickness, must delay the long hoped for recovery of the bulk of the precious metal. This metal is now, so far as can be ascertained, welded by the force of the sea and by its long bearing of the pressure of the water and of the portions of the wreck above it, into a single block, something like a cubic yard in measure and weighing about one ton.

Other things besides the gold and silver have, of course, been brought to the surface from time to time. Among them is the ship's bell which for half a century now has been used at Lloyds' London office for giving notice when a vessel is overdue. Lately a cannon between six and seven feet in length and still loaded with two four-inch balls and a quantity of shrapnel, was brought up beside a number of "ballast loaves,"

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that is, pieces of metal weighing anything from 20 to 200 pounds, a watch from which the dial is missing, a compass and some loose pieces of the wreck itself.

All these various articles and portions of articles are carefully stowed away under the care of the agents of Lloyds at Terschelling itself and in Amsterdam and are numbered and catalogued in such a way as to aid in assorting and identifying them when necessary.

The last attempt before the First World War to recover anything from the wreck was made by English contractors who, however, had to suspend their work before any serious results were achieved, in August, 1914. Work was resumed three years ago, this time by a combination of Dutch salvage firms financed by an independent syndicate, shares in which, valued at £10 sterling, are held by a large number of people in various countries. This combination is experimenting with a number of new methods, though without ceasing to use the old one of pumping away the sand and hauling to the surface any objects which are found. The most important of these new methods is that of the Beckers tower, which is an up-to-date application of the old-fashioned diving-bell.

According to the official specification this tower was to be of iron three meters wide at the top and 12 meters wide at the foot where it should rest on the wreck. It is open both above and below and contains an elevator, lighting and ventilation, with pumps to drain off any water that may percolate into it. The measurements provide an area of nearly 360 square feet for working and each piece of whatever kind that is brought from the wreck is transported to the surface on the lift and placed on one of the attendant lighters. The original tower was placed ready for working in the late Summer of 1933 but before much could be done it met with an accident that rendered it useless and a new one had therefore to be built. As to the cause of this accident there is no general agreement, most of those who should know being of the opinion that it was caused by the force of the waves, while the inventor himself and the minority with him is strongly of the opinion that it was caused by foul play on the part of someone who had opposing interests. Neither side can prove its contention so that the matter remains another mystery of the sea.

The new tower, with which it is hoped this winter to achieve good results, contains a number of improvements on its predecessor, including a stronger outer case which will better withstand any onslaught by enemies or weather. The whole undertaking is now in the hands of the salvers of the *Liberty Glo,* the *West Aleta,* the *West Arvada,* as well as a larger number of European boats, and whose pumping installations and other machinery have proved useful in the work of draining the Zuider Zee.

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Blended Decibel

WE ARE A NOISY PEOPLE, no doubt about it. Mechanization hasn't helped matters any either, and when a lot of us begin living together and the result is called a "growing metropolis," be it in England, on the Continent, in America or New Zion, noise achieves the status of a Major Problem. New York and many other American cities have been at work with Noise Abatement Commissions and the like for some years, and without much success either. In a recent intensive drive against auto-honking after sundown, London was more successful, so much so that the movement spread all over England.

The latest city to join this world-wide campaign against noise is Tel Aviv, the all-Jewish city in Palestine and things haven't been going so well down there either. In Tel Aviv the hideous noises of Western civilization have been superimposed upon the choice and distinct racket of the mysterious East which includes the monotonous tinkling of bells of every conceivable timbre, the grunting of camels and the braying of pack donkeys. Beseeching quiet in this bedlam there appeared recently on the billboards of Tel Aviv eloquent posters pointing out that silence is reputed to be golden and everybody altogether now, Let's give it a try.

Well, the effect was almost instantaneous and appalling. Mufflers on trucks and cars dropped the modern western noises to a mere pleasant purr and the sound of bus horn tooting was kept to a minimum. Result: by comparison the almost forgotten noises of the East: the camel, the bell and the donkey, none of which seemed capable of being influenced by poster advertising, rose to an almost unbearable pitch. Now the authorities are seriously thinking of going back to the old blended decibel, where the East and the West really meet.

●

Communist Into Capitalist

A LADY ACQUAINTANCE OF OURS had occasion one night during the recent election campaign to drive down in her 1928, pre-Depression Buick from a friend's home in Connecticut into New York. Somewhere in the upper reaches of Manhattan her car became stuck in a bad traffic jam, most of which was caused by a noisy, Communist demonstration. The lady and her car immediately became a symbol of the Class Struggle and several of the demonstrators jumped to the running board and began calling for the immediate overthrow of all capitalists.

One of the most vociferous of these was a boy of eight or nine, who kept shouting, "Capitalist! Capitalist! Capitalist!" But suddenly he grew silent and into his eye there came that old gleam which, we are told, only the profit motive can bring. Then he made his bid for wealth. "Lady," he said, "if you'll give me a penny, I'll stop calling you a capitalist."

●

Vodka

BUT SPEAKING OF CAPITALISM a new offensive in the capitalist-communist battle is being fought out, this time, on the alcoholic front. It has to do with vodka, that fiery liquid used for sorrow drowning purposes by Russian peasants, by ex-nobles (when they can afford it), and even by class conscious proletarians when they feel the need for getting away from it all. It is a very potent drink, white in color, made from wheat, and guaranteed when taken in the correct Russian style of wholesale swallows — one doesn't sip vodka—to knock you out with singular ease and dispatch.

The offensive began shortly after Repeal. First to step into the struggle was the Russian government itself, advertising a vodka put out in good communist distilleries as the "ONLY GENUINE IMPORTED RUSSIAN VODKA," labeled, *"Produced in Soviet Union, (U.S.S.R.)."* The American bourgeoisie was invited to try this "famous PURE WHEAT liquor, delicious 'straight' or in prize-winning mixed drinks." That was all —very nice, restrained advertising copy, as you can see; modesty befit-

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ting the Socialist Fatherland. If you wanted to try vodka, why, you could—the U.S.S.R. wasn't urging you in anything like the feverish style employed by cosmetic advertisers, mouth-wash people or the like. Dignity was the ruling note.

Well then a competitor appeared. His appeal was considerably less restrained. He wanted you to try "this subtle liqueur, drink of the Imperial Tsars and the glittering Russian nobility. Savor of the most brilliant court in world history," and so on. Any conscientious reader of advertising copy can supply the rest. The competitor's vodka was also advertised as the *only genuine,* made as it had been made for the past hundred and more years. To prove the claim, the bottle label bears many coats of arms and the announcement: "By Appointment to His Imperial Majesty Nicholas II; by Appointment to His Imperial Majesty Alexander III; by Appointment to His Imperial Majesty Nicholas I." In other words, "By Appointment to the Russian Tsars for almost a hundred and fifty years back."

This great tradition was what made this particular vodka the best of all possible vodkas. Secrets of distillation practised for generations in St. Petersburg were responsible; no one else could make the Russian national drink in quite this Russian, imperial manner. Don't think, the public was warned, that anything else that might go under the name vodka was as good. It wasn't. It lacked that peculiarly *vodka* touch.

The only drawback, however, has to do with the U. S. law on labeling. Complying with it, this Imperial Russian firm is forced to break down on the last line and confess: "Made and bottled in Bethel, Conn."

●

Blame

A LONG TIME AGO, when children were brought up by rule of thumb and only the toughest of them survived, it was held that the best way to make a child behave properly was to be severe with him when he did something wrong. If your young hopeful refused to do his lessons, or knocked over your best parlor vase, or punched his little cousin, you went to some pains to point out the error of his ways. You told him just how wrong he was, how he would never get along in the world if he persisted in such evil tactics, and if the case was really serious, talked gravely to him about the formation of character and how he was endangering his immortal soul by the way he was going. Briefly, you bawled him out.

Then came a new school of child tamers who informed you that the best, the only way to make your child a credit to yourself and to society was to be nice to him—to praise him elaborately for everything he did right and simply to reason gently with him when he did something that wasn't quite so convenient to his elders or to society at large. You laid aside the rod and spread honey on your tongue before you undertook to correct the Rising Generation. The idea was no longer to scold but to reason. The child, you assumed, was a balanced and sensitive creature who responded so much better to gentle methods of persuasion that no one but a fool or a bully would choose other methods of dealing with him.

Now comes a learned dissertation from the very centre of advanced child training—Teachers' College of Columbia University—which upsets all this and threatens to put us back again into the dark ages of family psychology. The author, Dr. Benjamin Brenner, has found that children do better work and behave themselves better if life contains something more for them than praise and sweet reasonableness on the part of their elders. Testing 400 public school pupils from the third grades in grammar school, the Doctor discovered that a vigorous dose of blame for poor work resulted in much greater application and more success the next time. The remark, "The class did very poor work yesterday," seemed to put the youngsters on their mettle to try harder today—in other words, a reprimand judiciously administered got results that praise and the gently reasoning approach failed to secure.

As Dr. Brenner rightly believes, this is "an upsetting discovery." It contradicts much of the work of our foremost child experts. It throws the task of bringing up children back to the old practises of a generation ago. Pursued to its logical end, the discovery may very easily revive a number of venerable American family institutions—the solemn threat to tell Daddy when he gets home, the dreadful ritual of going to bed before supper, even the grim business in the woodshed. If Dr. Brenner's conclusions are taken up, many of our most modern-minded parents will have to reverse their parental tracks with a jolt. Others will be more fortunate; they never have abandoned the notion that wrongdoing merits reproof anyway.

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Roadtown

DURING THE RECENT STRUGGLE to make California safe for EPIC, the genial Mahatma of Los Angeles County attracted many collaborators and fellow apostles with plans for the complete fixing up of a civilization of their own. There were the Utopians, with a simple scheme for giving everyone in the United States beyond a certain age the sum of $200 per month, on the sole condition that they spend it within the thirty day period. There was the Townsend group, with a plan almost as sensational and just as impractical. There were "free thinkers," nut diet specialists, vegetarians, gymnosophists, nudists, all kinds of possessed folk with plans and blueprints for the regeneration of American society. Democratic Candidate Upton Sinclair, well known for his hospitality to new ideas, welcomed them all. California, with its pleasant climate, easy living (when you have the money) and stimulating atmosphere has long been known as the home of new ideas. With Sinclair's victory expected, scores of prophets and teachers more or less without honor in their own country were preparing to flock there for final recognition.

Among them was perhaps the boldest and most original social planner of them all, Mr. Edgar Chambless, whose engaging notion implies simply the complete rebuilding of the physical layout of America. According to Mr. Chambless, most of our social troubles to date are due to the inefficient, unhappy, sloppy way our towns and cities have been built. Houses, jails, office buildings and factories have simply been dumped down wherever land seemed cheap or wherever crowded conditions made it possible for landowners and realty operators to grab a profit. The result has been disease, crime, unemployment, municipal bankruptcy and nation-wide distress. Mr. Chambless proposes to do way with this; his method, to take all our present cities, towns and villages, unscramble them from their present cramped and unwholesome quarters, and string them out along one or two nation-wide highways, each house and building facing the gigantic super-street.

(*Continued on page* 57)

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Outlook Book Choice of the Month

Reviewed by Robert Cantwell

THE FORTY DAYS OF MUSA DAGH. By Franz Werfel. Translated by Geoffrey Dunlop. $3.00. 824 pp. New York: The Viking Press.

SOME COMBINATIONS of authors and subjects seem inherently inappropriate, such as Upton Sinclair on William Fox. Until getting under way on this novel I was confident that "The Forty Days of Musa Dagh" belonged in this category; it seemed that if I should sit down and imagine a book in which I felt absolutely no interest, I might have thought of a novel dealing with Armenian life and written by Franz Werfel. The works of Franz Werfel were known to me through two translations, "The Pure in Heart" and "The Pascarrella Family," both windy and pretentious efforts, mysteriously hailed abroad as masterpieces.

My knowledge of Armenian history was limited, but sufficient to let me feel prejudiced against what Herr Werfel might have to say about it. I was badly mistaken. "The Forty Days of Musa Dagh" is a very exciting book; it is at once a story of an astonishing military operation, a study of nationalism, a picture of native Armenian life,—and native Armenian death—an account of the wholesale banishment of the Armenians from Syria in 1915, and a subtly reactionary bit of special pleading. Read simply as an adventure story it is full of excitement and novelty, of good, old-fashioned thrilling escapes and last minute rescues; read as a detailed record of what one character calls "the worst crime in recorded history" it carries authority and conviction.

What has happened to the author that he could so far surpass himself in this book? First, perhaps, the fate of the Jews in Germany, since Franz Werfel is Jewish, may account for the peculiar poignancy and timeliness, the urgency, of "The Forty Days of Musa Dagh." More importantly its superiority suggests that Werfel is the type of novelist who needs an historical event to release—or rather restrain—his talents. In "The Forty Days of Musa Dagh" he has a fine story to tell, and its facts tie his fitful and speculative imagination to earth. In his previous novels, it is apparent now, the weight of an imagined situation was not enough to counteract his mysticism, his Germanic, idealistic, petty-bourgeois philosophizing. In those works he seemed to force his characters into grotesque predicaments, not because there were comparable predicaments in their environments, but in order to dramatize some vague moral concept of his own. His characters were abstractions. "The Forty Days of Musa Dagh" is best when it is the straightforward visualization of an historic event; it is weakest—near the end—when Werfel's mysticism again intrudes.

A novel of Armenian life is necessarily a novel of Armenian persecution; "The Forty Days" adds to the tragedy of that persecution the heroism of a mad, desperate and successful resistance. During the banishment of the Armenians, the inhabitants of seven villages took refuge on the remote mountain of Musa Dagh, and although they were ill-equipped, ill-fed, untrained, inexperienced, peace-loving by nature and further disarmed by a religion that preached non-resistance, they defeated one after another of the military expeditions sent against them. The multitude that submitted to the banishment rotted in the desert. So their story, like that of the defense of the Alamo, or of Robert Emmett's uprising, is one of those out-numbered struggles inherently moving, one of the "bloody legends from which the golden legends are made," in Malraux's phrase.

This novel begins with the return of Gabriel Bagradian, with his French wife and their son, to his birthplace in Syria. They are trapped there when the war breaks out, but doomed when the systematic weeding out of the Armenians begins. The scholarly, idealistic, impractical Gabriel, suddenly overwhelmed with a consciousness of his race, develops as a leader and brings the resources of his European experience to the isolated countryside. He maps the mountain, which he discovers to be a natural fortress, and mobilizes the villagers for their defense. By the time the authorities arrive to enforce the decree almost the entire population has moved to the mountain, armed itself, constructed huts and dug trenches and organized on a military basis. The details of the defense are too intricate to be summarized; it is enough to say that the defeats of the successive attacks are carefully dramatized and that the battles, as they so seldom are in fiction, are fully and vividly described—the major triumph, in fact, of the entire book.

You see a little band of doomed peasants making their last stand on top an unknown mountain in an isolated part of a remote country; you see their last stand, to their own astonishment, prolonged for weeks, while small armies are wasted in the effort to dislodge them; you see their resistance begin as an annoyance to the government, develop into a scandal, eventually become a serious threat. There are innumerable sub-plots of varying importance surrounding this major story: the relationship of Gabriel and Juliette, his Parisian wife—as Gabriel grows in strength from regaining his own race, his wife is degraded until she perishes as a responsible individual. There is the story of Dr. Lepsius, German missionary who pleads with the authorities in behalf of the Armenians—and whose

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story, incidentally, does not quite ring true, since it hinges on his relationship with a group of compassionate Turks who seem mere abstractions. There is also Stephan, Gabriel's son, who performs feats of juvenile heroism, casts off his European training and meets the fate of his race; there are the stories of a swarm of villagers and Turkish officers. The minor characters are casual and fragmentary; the major ones are frequently blurred. Werfel seems to delight in making some of his most important people mysterious and impenetrable, a tendency that most often suggests imaginative bankruptcy. Finally —to continue a hasty summary of the sub-plots—there is the collapse of the garrison, its complete inner demoralization, an insurrection, just as its rescue is at hand.

There are certain perceptible theories underlying this huge panorama, theories of race, of politics, of morality, theories that are apparent in Werfel's choice of characters as well as in his direct comments. The references to the introduction of Western "progress" as the basic reason for the attitude of the Turks toward the Armenians indicate Werfel's major theme; the comments he puts into the mouths of the old Turks, those who sympathize with the Armenians, reveal that he visualizes a return to a feudal past as an answer to the tragedy he tells so powerfully. His point of view is thus comparable to that of our contemporary Southern writers who now sentimentalize over the slave-days in the South, though as a European his understanding of politics is deeper than theirs, and his response to religion is Oriental and strange. He shares with these writers, however, a vague and unsteady emotionalism over place, and a hatred of modern industrialism and all its political consequences — its present horrors blinding him to its possibilities. His philosophizing is vague, and particularly tasteless in a work whose strength springs from its narrative speed and violence. A story that is in fact a stirring instance of the resistance of an oppressed people becomes, in these passages, a vehicle for shallow moralizing and the expression of pseudo profundities.

But this aspect of "The Forty Days of Musa Dagh" is relatively unimportant. It is a great story, and the story itself, the memory of Werfel's account of those days, will remain with a reader long after the author's politics and his racial theories have been forgotten.

Books and Reviews

"EARTH CONQUERORS" by J. Leslie Mitchell (Simon and Schuster) is subtitled "the lives and achievements of the great explorers", it is a sophisticated and graceful sort of book in a field in which these qualities are usually lacking. J. Leslie Mitchell is a Scottish ethnologist, an adherent of the Diffusionist Theory of history, the author of a rather playful thesis novel, published a year or so ago, in which Rousseauian Natural Men were shown living in prehistoric bliss, enjoying perceptions and Christian virtues in excess of those we now possess. A similar point of view—less directly stated—is expressed in these biographical sketches of Marco Polo, Cabaza de Vaca, Columbus and others of the great, a kind of simplified anarchism; Mr. Mitchell refers to the culture of those native Americans, usually called savages, for instance, as "great and strange experiments in civilization." The observations on the diffusion of knowledge through the world — a diffusion of course most sharply personified in the lives of the early explorers and traders —are provocative and stimulating; the speculations on the real characters of the men who made the voyages are matter-of-fact, often shrewd, distinguished by a kind of militant common sense.

Quincy Howe's "World Diary: 1929-1934" (McBride) is one of the most useful books of the season, a chronological survey of the outstanding events of this period. Mr. Howe, who is editor of *Living Age,* has been almost ostentatiously impartial in selecting the significant happenings, restraining all impulses to put down the merely colorful or melodramatic. The development that dominates this period, in his interpretation, is the revolution in agriculture, the introduction of new methods of production of foodstuffs forcing changes, political and economic, as far-reaching as those of the industrial revolution. Simply as a reference work "World Diary" is invaluable; in the rush of these times the most momentous developments of a few years ago are crowded out by new excitements; new insight is provided merely by remembering that certain developments took place. Beyond this elementary virtue, however, the book offers some valuable and unfamiliar information on those most tangled situations—South American politics, Chinese finances, French politics. There are clear interpretations of such confusions as England's abandonment of the gold standard and the panic election that preceded it. The characterizations of French politicians tell you more of what is happening in France now than any number of newspaper accounts. "World Diary" is least impressive in those passages devoted to American affairs; Mr. Howe seems to have vast resources of fresh information about every country of the world except his own.

OTHER BOOKS OF THE MONTH

INNOCENCE AND EXPERIENCE. By Phyllis Bottome. 12mo. Boston, Mass.: Houghton Mifflin Company. $2.50.
Short stories by the author of "Private Worlds."

MELISSA. By J. Calvitt Clarke. 12mo. New York: Arcadia House Publications (William Godwin). $2.
A mountain girl's experiences as the foster-daughter in a New York family.

CASTAWAY. By James Gould Cozzens. 12mo. New York: Random House. $1.75.
A tale of the last man on earth.

PATTERNS OF WOLFPEN. By Harland Hatcher. 12mo. Indianapolis, Ind.: The Bobbs-Merrill Company. $2.50.
Transition in a pioneer Kentucky family.

THE VENIAL SIN. By Jewell Montreu. 12mo. Boston, Mass.: Meador Publishing Company. $1.50.
The story of a disillusioned young wife.

YOU CAN'T SLEEP HERE. By Edward Newhouse. 12mo. New York: Macaulay Company. $2.
Life in a New York shanty town.

PURE AND SIMPLE. By Bellamy Partridge. 12mo. New York: William Godwin. $2.
The ludicrous adventures of an innocent young man.

"US." By Kate Mayhew Speake Penney. 12mo. Philadelphia, Pa.: Dorrance & Co. $2.
A novel based on Dr. Gorgas's fight against yellow fever.

TARABAS: A GUEST ON EARTH. By Joseph Roth. 12mo. New York: The Viking Press. $2.50.
A story of a Russian peasant adventurer, by the author of "Job." Translated from the German.

LURE OF THE LAND. By Allena Joyce Webb. 8vo. Dallas, Texas: The Story Book Press.
A novel of Plantation life in old Louisiana.

WHO PAYS? By Ernest Greenwood. 12mo. New York: Doubleday, Doran & Co. $2.
A summary of the loss of life in the United States by avoidable accidents, with a remedial program.

THE AMERICAN EAGLE. By Francis Hobart Herrick. 8vo. New York: D. Appleton-Century Company. $3.50.
A study in natural history and an account of the adoption of the bird as a national symbol.

LIMITED CAPITALISM: THE ROAD TO UNLIMITED PROSPERITY. By L. W. Allen. 12mo. New York: Strand Publishers, 18 East 41st Street.
An economic theory and a political platform.

LIQUID CLAIMS AND NATIONAL WEALTH. By Adolf A. Berle Jr. and Victoria J. Pederson. 8vo. New York: The Macmillan Company.
An exploratory study in the theory of liquidity.

SOME RELATIONS BETWEEN POLITICAL AND ECONOMIC THEORY. By G. D. H. Cole. 12mo. New York: The Macmillan Company. $2.
An attempt at reshaping the academic theories to present facts.

RACE AND CULTURE CONTACTS. Edited by E. B. Reuter. 8vo. New York: McGraw-Hill Book Company. $3.
Papers on this aspect of American sociology.

THE CURSE OF BIGNESS: Miscellaneous Papers of Louis D. Brandeis. 8vo. New York: The Viking Press. $3.50.
Papers on public questions edited by Osmond K. Fraenkel.

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Where Is American Business Going?

(*Continued from page 22*)

slow but inevitable march northward was then nearing 42nd Street because of the big railroad terminus there. After the First World War, however, the use of private automobiles became much more general; and a great development of suburban real estate in Long Island and Westchester County brought automobile traffic up Fifth Avenue to 57th Street where it split three ways. No sooner had the "carriage trade" started to fill 57th Street, than expensive milliners, smart dressmakers, etc., took over the brownstone "fronts," and mink coats and Ming vases began to appear in show windows on the street floors of the old houses. Piano salesrooms, jewelers, art galleries and the most modern high class restaurants followed, while 42nd Street dropped back to eight foot fronts displaying the kind of lingerie that the yokels just off the train from the hinterland never saw at home. The shopping district has moved and will continue to move to the point where the majority of lines of traffic from the residential districts tend to converge.

There is one other odd feature of the shopping district and that is the fact that various classes of shops seem to be together, and these constitute little subdivisions of the main shopping district.

The writer recently listened to the bitter complaint of a man who had to make an emergency purchase in his preparations of dressing for a formal evening out. He dashed forth into a rain filled night in search of a haberdasher's shop. He walked ten blocks without success and then in the eleventh block he found himself in a row of five such shops. There is a sound economic reason for this. Take the example of the "5 and 10" cent stores. One is built on one side of a street; if in a short time it begins to prosper, a rival chain will open one of its "5 and 10's" directly opposite. Now oddly enough the opening of the second and competing store increases the business of the first store and both prosper. Similarly, one walks a great distance and then finds three grocery stores on top of each other. In a strange town there seems to be no place to buy stationery until one finds a whole row of such shops. Automobile salesrooms often occupy every window on both sides of a street. The answer is quite obvious. Women, who spend a large part of the family income, also spend much time in "window shopping"and pricing similar goods at different stores before making a purchase. This explains why stores selling similar merchandise prosper when they are close together. The isolated store loses by reason of its location. One store by itself can never be a "shopping center."

The reasons for the location of many of a city's businesses are so obvious that little more than passing comment is necessary. The wholesale food market requires cheap space readily accessible to farmers driving in with produce as well as to produce arriving by rail or water. Hotels, theatres, etc., which are more patronized by visitors coming from a distance have succeeded best when located near the terminus of long distance transportation such as steamboat docks, then later railroad stations, and more recently on trunk highways near bus terminals. Factories for the most part need water and transportation and the proximity of plenty of low cost housing. And thus the more elegant residential section develops in whatever space is not needed for other purposes, and becomes smart because it is on the "right side of the railroad tracks." Once this direction is definitely established it continues to develop. Each generation, as transportation facilities improve, prefers to erect its own homes with modern conveniences rather than live in "antiquated" houses near their parents. No one, because of a mere whim, tears down a Waldorf Hotel and rebuilds it three quarters of a mile away, unless forced to do so by changing circumstances. Only those, however, who are alert to the trends are able to move with them. Those who lag behind find themselves gradually losing by being away from the center of their own business, or by living on the wrong side of the Business railroad track.

With the financial district anchored to the courthouse, the two salient features to watch are the points at which suburban traffic converges (*either in walking, on trolley-cars, in* trains, buses, or private automobiles) and the points where the through traffic from other cities crosses. As the vehicles of transportation change from trolley and steam train to private automobile, much more space is needed to accommodate these both in movement and in parking. The natural shopping and hotel districts of most cities have not sufficient width of streets, and this has led to a divergence to any wide streets nearby, but much more so to an *interesting new phenomenon.* Secondary shopping zones have sprung up on the outskirts of the big cities. Out where land is cheap, the merchant selling widely advertised products has found it profitable to open a branch store for the convenience of suburban shoppers. The short distance and abundance of parking space make shopping at these branches of large department stores most agreeable to women who live in the suburbs and drive their own cars. The "shopping" and comparing of prices is done by reading advertisements, and the purchases are made where the store is more readily accessible.

This is not a contradiction of the principle of convergence of suburban traffic when one considers that the traffic is merely going the other way—*out* instead of *in.* The same tendency is noted in vegetable stands, filling stations and even the growing tourist camps along our main highways. Transportation in the form of the small, inexpensive and almost necessary automobile is practically turning the cities inside out.

The most economical living is in apartments where one central heating and air conditioning plant serves a large number of families and all other service is done for many rather than a single family. New, ultra-modern, air conditioned apartments with garages in the basement, surrounded by grass, trees and tennis courts appear to be indicated as the next step in building cities. For their location, cheap land will be sought out beyond the present suburbs. The development of high speed, lightweight railroad trains has an interesting bearing on all of this. These new trains have maintained an average speed of one hundred miles an hour, or just twice that of present day commuters' trains. The obvious result, once these new trains are installed, is to cut in half the time distance between commuting points and the city. This in turn will extend the suburbs of cities to twice the present distance in miles, and make possible the building of these great apartment houses in the country. This also will tend to develop shopping districts at points where main highways cross, and a city of the future might have as many as eight or ten such centers. These miniature shopping districts will have many of the features of the old-fashioned downtown center such as restaurants, motion picture theatres, automobile sales and service stations,

(*Continued on page 64*)

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Talk of Nation

(*Continued from Page* 53)

That briefly is what Mr. Chambless plans to do with us. According to his own report, if Mr. Sinclair had been elected, at least a serious beginning would have been made on the plan in California. Already Mr. Chambless has plans in hand for a "Demonstration Unit," to be constructed at a cost of $20,000,000, and the plan, he expects, will be carried out as soon as the PWA comes to its senses and makes the money available. This model would take the form of a "Roadtown" along the twenty-five foot width of a ten mile highway, with accommodations for 40,000 people, their homes, factories, schools, fire departments, police stations, hospitals and all. Each building would have space around it for lawns and landscape development, with, of course, an almost limitless backyard to draw on from the space in the rear.

Houses in this attentuated city would rent for the weekly sum of one dollar per room, which would work out to a total monthly rental of $28 for an average seven room house. Electric light and water services would be included in the rent, with taxes for other services kept at a minimum. To Mr. Chambless's mind, the advantages of such a plan would be immediately apparent. They would include, among other things, plenty of fresh air (at least in the rear of one's house), easy access to rapid transit (the super-highway), a chance to work both in the factory and on the land and, in general, to lead "individualistic lives under a capitalist system (for Mr. Chambless would have his Roadtowns built entirely by private capital), using the co-operative and collectivist methods of up-to-date business."

But the benefits Mr. Chambless expects to flow from his plan are not only material; great spiritual gains would accrue as well. For one thing, there would be a far better spirit of neighborliness coming from life under his particular dispensation. Everybody in Roadtown would live next to everybody else. Figure it out for yourself; living in one house on the gigantic Main Street envisaged in the plan, you would naturally know the person on either side of you. Those two in turn would know the next one in line, through them, you would undoubtedly make the acquaintance of all the people down the road. You would live in a

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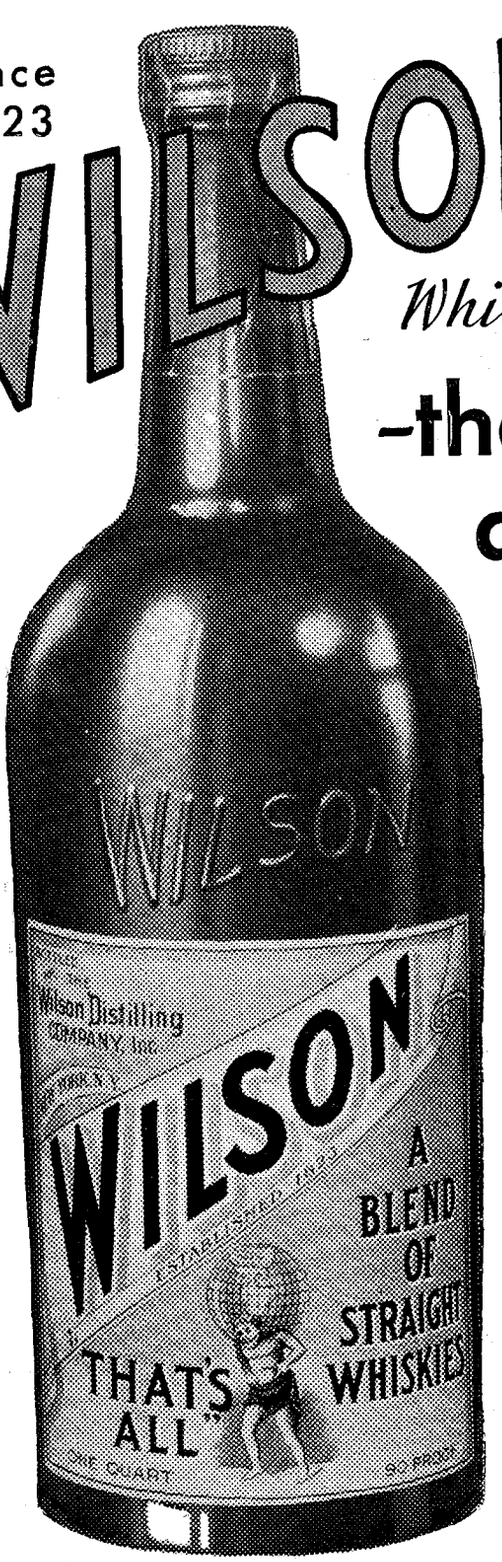

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neighborhood stretching the entire length of the One Big Highway. The Rich, with restricted areas sternly designed to keep the Wrong People out, would not exist in a residential sense. There would be no other side of the railroad tracks, since everybody would live in the same district. The possibilities are fascinating. If a "Demonstration Unit" housing 40,000 people requires a Roadtown twenty-five miles long, accommodation for 126,000,000 people would require something like 12,500 miles of attentuated city. Think of a neighborhood that, laid end to end, would stretch half-way around the world!

Apparently more people than Mr. Chambless have been thinking of it. The late gubernatorial candidate in California is not the only one who has been giving it serious attention. Mr. Chambless, in a recent statement, revealed the names of a few of his more prominent supporters. They included, among others, Professor John Dewey, the good, gray philosopher of Columbia University, Mr. Virgil Jordan, who is President of the National Industrial Conference Board, a powerful body with great influence among our more distinguished leaders of public thought and affairs, and Mr. H. S. Person, Managing Director of the Taylor Society, the association that exists for the purpose of discovering ways of extracting more work from fewer workers. They have all signified their high approval of Mr. Chambless's ideas, and some of his support, in fact, goes back to the distant reaches of 1910, when his plan was first broached to a skeptical public.

Mr. Chambless has not revealed how far his plan is from complete theoretical fruition. Certain obvious difficulties which occur to the lay mind—for example, the problem of how to arrange Roadtown so that it would take in all the widely scattered natural resources of the United States in one super-highway—have not yet been cleared up. In the meantime, Mr. Chambless is plugging ahead as doggedly as he can. Support is lagging from the general public—but the United States government has seen the light. It has already financed a prolonged study by eighteen qualified engineers of Mr. Chambless's scheme—and Mr. Chambless confidently expects more.

●

Steel Utopia

There were one or two points about our visit to the steel mill which we reported on last month which we failed to give you.

They were doing a small job in the furnace room, if we cared to see it. Under a temperature of 2500 degrees they were re-heating steel for a shaft to go into one of the government's new ships. To show us, Mr. Mudd had the furnace door opened. We stood back a hundred feet, and at that the heat nearly knocked us down. The men in charge stood ten feet away—they were used to it. It was surprising, Mr. Mudd said, how quickly you got accustomed to things. Here the men got forty cents an hour. They worked a forty-hour week, but if there was any rush of orders they could work sixty. The Code said so.

The whole plant was behind the Code. Every part of it, even Section 7-a. They had a union. It was the Employee Representation Plan, and it worked very nicely. Over in a corner of the furnace room a little space was blocked off for the union. Neatly framed on the wall was an enlarged photo of the Shop Leader, Mr. John Kryanzki. The next meeting of the Employee Representatives would take place on Thursday; the subject for discussion, drinking water. It seemed that the drinking water faucets were not working right and something had to be done about it. No, they didn't discuss wages. That had all been settled.

They didn't discuss working conditions either. Contrary to the general impression, steel mills were not unhealthy. In fact one good recipe for a long life was working in a steel mill. As Personnel Manager, Mr. Mudd went around and visited some of the old employees the Company tried to care for. It was almost pitiful how long some of them lived, because they got so out of date. They would come crawling back to the plant and absolutely fail to understand the new things going on here. Just like grandfathers in a big and hustling family. He had one in his office the other day; ninety years old and dying to be back in the rolling mill where he'd worked as a boy. The public got such wrong ideas. Perhaps if more could come and look around the way we were doing they might be changed.

There was a lot of misunderstand-

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ing about accidents too. People thought steel mills were dangerous. They weren't. You could get just as badly hurt in your own bathroom. Mr. Mudd's company was very solicitous about accidents. Part of his job was to get out the Monthly Safety Bulletin, which tried to put the case for carefulness as attractively as it could. Back in the office, Mr. Mudd showed us the magazine. It had jokes in it to relieve the remarks on Safety. The jokes were Mr. Mudd's, he cut them out of funny magazines. (*A.* "Do you like women who talk or the other kind?" *B.* "What other kind?") No other company did as much safety work. They had pioneered in it, starting as soon as the first Compensation Law was passed. In forty-one days they hadn't had an accident, and then only one because a man was careless enough to get his head in the way of a travelling crane. He was killed, and Bulletin readers sent flowers and read a warning essay on the sad event in the latest copy.

We must come again. Yes, the industry had just cut the office staff's salaries, but that wasn't the companies' fault. Mr. Mudd's outfit he knew was absolutely behind the employees, all of them. They would restore the cut as soon as they possibly could. The president himself had told him about it first, almost with tears in his eyes. He had asked him to explain it to the rest. The president had come up from the office ranks and knew all about their problems. We must come again. Maybe they would have something more to show us another time.

●

Correspondence

(*Continued from page* 5)

Oxford and Cambridge have ruled Great Britain for 500 years, and if our best college men are not to be consulted we had just as well abolish all of our colleges.

The Liberty League of Mr. Shouse is a joke and every man connected with it will lose out politically. Imagine a Kentuckian trying to curry favor over the radio using a British accent like Mr. Shouse does.

Your issue for August has an article by Harold McGuigin on "The Murder of King Cotton." As the author is from Nebraska he is more fitted to talk about wheat than cotton. The bane of the South for 100 years has been too much cotton and the supply must be reduced to raise the price. For fifty years the South has been impoverished due to excess crops of cotton. With China and Egypt raising cotton, the time will come when the South can not export a single bale.

The whole West raised too much wheat and that is what makes it poor. Nebraska raises one-quarter of the wheat in this country and as a result the farmers of the South cannot sell a bushel of wheat—Virginia, Maryland, Delaware, West Virginia, Kentucky, Tennessee and Missouri. The only solution of the wheat problem is a quota for each state.

We raise too much—the supply must be reduced. That's all there is to it.

Very truly yours,
LEROY S. BOYD,
Box 87,
Arlington, Va.

—o—

TVA Project

Sir:

The writer read with interest the article in the August NEW OUTLOOK pertaining to the Government merchandising in the electrical supplies in the TVA Project.

This article to me is very enlightening, and I believe you did a good job when you brought this to the attention of the reading public as it brings home quite forcibly to the taxpayers the reason Government costs so much.

Very truly yours,
JOHN J. FITZGERALD,
Oak Park, Ill.

—o—

Gentlemen:

I have been a reader of the OUTLOOK for many years and I find it to be of real interest in analyzing problems of international as well as national issues.

It seems to give the facts in an understandable way which is not the case in everything you read nowadays.

I have read the various letters pertaining to pro and con to your Editorial Department and it seems they form opinions as to which political side they belong to.

I intend to continue reading this magazine to keep in touch with topics of the day.

Yours truly,
C. T. Wisland
La Crosse, Wis.

—o—

Sir:

"I want you to know how much I appreciate the NEW OUTLOOK.

"Forty years ago when I was a country school teacher I used to take the OUTLOOK and enjoyed it very much, but today it is the most fearless, high grade publication that I receive. NEW OUTLOOK may save America. It is doing its part. I enclose my check for two years subscription."

Edward B. Farr, Attorney
Tunkhannock, Pa.

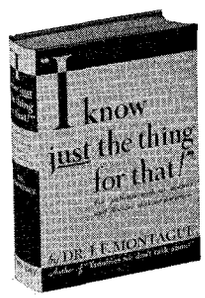
—o—

Sir:

NEW OUTLOOK is doing the American people a great service by its fearless and frank presentation of national issues. The articles, "Uncle Sam, Landlord" and "Over the Hill to Public Ownership" in the November number are splendid, but what a pity that the majority of newspaper items concerning any subjects of this sort are presented in such rosy hue, as if mere political propaganda.

Have You That "Tired" Feeling?

R E A D



By DR. J. F. MONTAGUE

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Headaches and Dizzy Spells
Blood Pressure vs. Food Pressure
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As regards the so-called slum-clearance projects, how can they, by any stretch of the imagination be called acts of social justice? This is a very glib term used by certain New Dealers but human nature cannot be changed by legislation or phraseology, however catchy.

What becomes of these unfortunate human beings who are thus deprived of their homes? As they cannot pay the rents demanded by our benevelent government they are, of necessity, pushed even further down into the mire of human misery. Social justice, indeed!

Yours very truly
E. A. Lindahl,
Oakland, Calif.

—o—

Sir:

It has always been my contention that a magazine or periodical professing to show the true temper of public affairs should present to its readers both sides of the conflict.

I am referring, of course, to your editorial policy, which seems to be dedicated to opposition of the New Deal because of conflicting interests of your sponsors with recent legislation enacted in Washington. Singularly, your editorial "The Two-Shell Game" in the November issue appears at a most opportune time. You have evidently discovered a little too soon that "more and more suckers are drifting away from the table." Let me ask, then—"Whither are we drifting?"

Results of the election point conclusively to the overwhelming vote of confidence given to the Chief Dealer and his little playthings—Recovery, Reform and Reconstruction.

Further along in your article you seem somewhat perturbed by the 59.6 cent dollar. Has it never occurred to you that in comparison with the currencies of other nations our dollar has been the most stable since the first of the year. This certainly makes your charge of gambling seem grossly exaggerated.

The profit motive, which was also commented upon by the editor, is truly not to be sold at a discount over the cashier's cage, for was it not the cashier who advised—"Don't sell America Short?" Incidently it has been said by others, that, at the recent bankers convention, the bankers graciously surrendered to the President, while the President graciously accepted their surrender.

May I suggest that your policies be efficiently enlightened to contribute something constructive and useful toward recovery; perhaps a little co-operation at the "Two-Shell Game" will do the trick.

Edward Waldman
New York City.

We refer Correspondent Waldman to Page 9, current issue, and to Mr. Sokolsky's latest report on the present temper of the American people, Page 26 et seg., this issue.—Ed.

—o—

"Dear OUTLOOK:"

And so you have, bless your hearts! I have been out of work again for several weeks, which is the rotten circumstance we who have to work for a living have to

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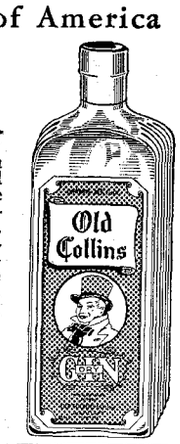

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Over three years ago your shystering thieving spunks of bankers stole my money and the money of many more like me, and sent many to suicide as well. Give them a write-up. And what's your piker of a President doing? "The forgotten man," "New Deal," Umph. Seems to me big business has got him buffaloed.

And now you've got Sammy Insull back again. I see *he* has dropped out of the news. Some "hush hush" graft by Chicago financiers, I suppose. Wish I was a writer, I'd give you all hell.

John R. Averne,
Sparkbrook,
Birmingham, England.

—o—

Good Will Message

Sir:

The October 1934 number of NEW OUTLOOK published an article, "Racial Prejudice —A Racket; The Coming Boom in Hate," in which the writer states, I quote his own words: "Protestants and Catholics do not love each other, liberal clerics to the contrary."

May I say that it is such assertions as the above that engender hate. The writer no doubt is sincere in expressing his own idea on the attitude of Catholics' regard for Protestants, but what are the facts?

Following at all times the example of the Divine Master who loved the sinner while hating the sin, Catholics have the greatest respect for Protestants in their beliefs while not recognizing any of the sects as the Church of Jesus Christ; claiming that prerogative for the Catholic Church: basing Her claim on tradition and historical and scriptural proofs.

Yours very cordially,
Mrs. John S. Purdy,
Rangely, Colorado.

—o—

Sir:

The recent election inspires these thoughts:

It is a serious defect in our elective system that it permits a minority (plurality) candidate to win. The Southern States require a majority to nominate but this is accomplished by the expensive second primary between the two highest.

Lloyd George's "Alternative Vote" plan, which he got through the House of Commons, accomplishes majority rule much more simply. The text of this bill follows:

1 (a) A voter at any election may indicate the candidate who is his first choice by placing the mark X on his ballot paper opposite the name of that candidate, and any ballot paper so marked shall be counted as a first preference vote given to that candidate.

(b) He may place the figure 2 opposite the name of the candidate whom he would prefer, if the candidate who is his first choice cannot be elected.

2 (a) If on the counting of the votes a candidate receives an absolute majority of first choice votes, that candidate shall be declared elected.

(b) If no candidate has received an absolute majority of first-choice votes, the candidate who has received the smallest number of first preference votes shall be excluded, and each ballot so far counted for him, which indicates a second choice for one of the other candidates, shall be transferred to and counted as a vote given to that other candidate, and the candidate who receives an absolute majority of the votes reckoned at that count shall be declared elected.

(c) If still no candidate has received an absolute majority of the votes the process of excluding the lowest candidate shall be continued until one candidate receives an absolute majority of the votes reckoned at the count.

As our two party system seems now to be breaking down the importance of requiring an actual majority to elect greatly increases. Before we abandon democracy let us make it more democratic by requiring an actual majority to elect, instead of a mere plurality, which often may consist of a little more than one third of the electorate.

Yours truly,
George Stewart Brower,
Altamont, Maryland.

—o—

Sir:

The September issue of NEW OUTLOOK received, and I have read most of the articles and tried to be "open minded," but in my opinion it is a *grave* mistake for any magazine to publish such critical articles against our *fine* President. However, I shall try to induce my "doubting" friends to subscribe to the NEW OUTLOOK, and I feel sure they will fairly "wallow" in the articles which I feel cannot add to their peace of mind or contentment. Personally, I fail to see what good can be done by the "pot calling the kettle black."

The writers seemingly "forget" what an *"awful mess"* our *fine* President stepped into on *March 4, 1933,* after *twelve* years of seemingly mismanagement by the Republican Party! This household is *very loyal* to Franklin D. Roosevelt and fortunately there are many others despite the disloyalty of others.

Naturally it is not my opinion that is wanted but better business for the NEW OUTLOOK and more subscriptions; I really will do my best—fortunately I do better with other magazines or I would starve.

Please excuse the outburst of personal opinion.

Yours truly,
May J. Kennard,
Pasadena, Calif.

The "Dispossessed" of Europe

(*Continued from page* 25)

unemployed men under thirty to the labor camps, where they receive but a pittance for their work and are given military training; (5) difficulty in obtaining either work or food; (6) growing sympathy for the sufferings of the Jews, and (7) resentment against religious interference.

Conditions in Austrian concentration camps are far less severe than in Germany though the opposition political

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groups are dealt with as severely on the outside. There is little or no anti-Semitism but the Social Democrats and Communists as well as the Nazis have been outlawed. Relief to the prisoners and others is distributed openly by the Society of Friends, with whom the International Federation of Trade Unions is working closely. Following the fighting in February, 1934, the Quakers assisted 7,500 socialist families, but the number has now been reduced to under 4,000. Secret relief is also being distributed to Communist victims through the International Red Relief, and legal aid to prisoners is being furnished by the League for the Rights of Man. In many cases the latter has been successful in obtaining greatly reduced prison sentences.

While reports from relief workers show that treatment of prisoners in Austria is less brutal than among the Nazis, there is a general lack of proper nourishment and the unsanitary conditions in the camps have undermined the health of many prisoners. Stories told by refugees are full of tragedy. Frau Munichreiter, wife of the former member of the Austrian Schutzbund, escaped from Vienna after her husband was wounded by police for aiding an injured comrade. Taken to a hospital, he was later sentenced to death. Frau Munichreiter's 12-year-old child was told of his father's execution by a neighbor. No member of the family had been allowed to see him. Later the hospital presented Frau Munichreiter with a bill for 22 schillings for his care! She gathered her other two children, ages ten and two, and fled across the border.

The general picture of relief work among the political exiles in Europe is far from encouraging. Lack of funds is the greatest handicap. Many of the organizations have already been forced to suspend relief. Yet there is little doubt that both within Germany and outside the need for aid of Nazi victims will be greater this coming year than ever before. Many considered that the appointment of James G. McDonald as High Commissioner for the German Refugees by the League of Nations would bring immediate aid. This has not been true. Mr. McDonald has no funds at his disposal, and so far, what money he has been able to raise has been devoted to aiding the Jews and intellectuals, leaving the political exiles dependent upon the meagre funds of their political organizations or to fend for themselves.

To Utopia

(*Continued from page* 39)

only in Russia, but also in America a considerable pile of machinery has been wrecked through clumsiness in operating or repairing, or from leaving it exposed in barnyards and fields. An incalculable sum has been wasted in hunting for gold and oil which has not been found, and of course all veins of ore run out and all oil wells run dry. Abandoned mines are usually surrounded by junk and sometimes by whole "ghost" towns. At times, the entire investment in a factory, even a town is wiped out by a change in a freight rate or a tariff. Other loss is caused by blunders in judgment of location.

Suppose nobody had the gumption to save. Considering all this waste, how long would our deplorable efficiency hold us down? The Dark Ages were dark partly because saving didn't pay. The Church prohibited loans at interest, and what was not lost through marauding was generally "needed" by a spendthrift king or a lord who was lonesome for war and travel. By humoring everybody's weakness for something today, instead of later, the country could travel backward at an astonishing clip and easily run out of checks to support the old folks in ease.

Part of the cost of the scheme would come also out of the national character. Without the necessity to save, flabbiness surely would soon gather at the national wastline. With no whip to fear, more than our figure could wait on appetite. With savings accounts and life insurance policies each in excess of 30,000,000 after five years of depression, something must be said for the bracing influence of saving. Even if most savings are lost and few savers arrive at independence, those who try win certain dividends in self-reliance, which still grips our admiration strangely.

Without fear, to cultivate greed and suspicion, Dr. Townsend envisions a world of gentleness and benevolence. Let us imagine the system in full swing next week. What a competition in inviting the old folks to live with us! What a boom in breach of promise suits! What a boundless crop of prospects for all the gentry who would make the old folks rich! And what a circus for the quacks with a cure for every ache of old age!

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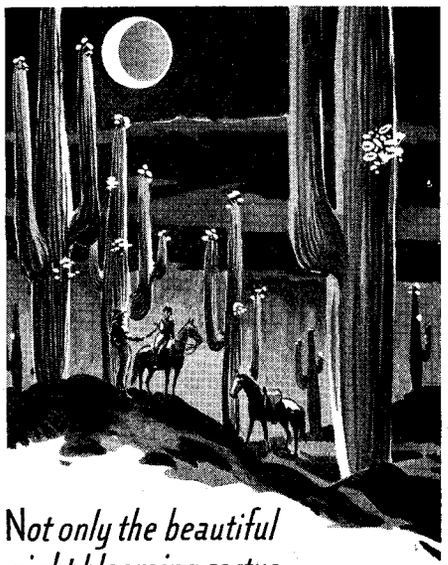

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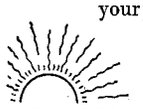

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dream. In his fervor, unfortunately, he has added but not subtracted. Intent upon the delight of his 10,000,000, he has not seen the despair of the 100,000,000. Unwittingly, he has pinned hopes to kites without being sure of the wind.

Where Is Business Going?

(*Continued from page* 56)

and will lack only the big hotels and theatres which have always depended on transients and commercial travelers for their support. These hotels and all that goes with them may move somewhat away from the railroad stations to adjust for the many commercial travelers who now travel in automobiles instead of trains; and, sooner or later, their locations may be altered again should travel by air reach much greater proportions. Basically, however, the hotel and theatre district will locate itself at the center of through traffic, not far distant from the financial district.

While it is fully recognized that it is much cheaper for many families to live together in one apartment house, there is one other factor which must not be neglected in looking toward the future. During the years of the Depression the active minds have brought about a transformation of small houses. As novel as the light-weight, streamlined train is the new steel house. Completely modern in every detail, air-conditioned, fire proof, vermine proof, and of most pleasing designs, these houses can be erected in quantity for a cost of between $3,000 and $4,000 for a six room unit. Three to an acre, on land costing less than $2,000 per acre, they can be sold on a monthly payment plan of $38 for fifteen years which includes an insurance policy to pay whatever remains should death or disability strike the breadwinner. This is to be made possible by the combination of Government loans from the Federal Housing Administration and the ingenuity of American business in developing a factory built product.

The consequences which may be expected from this new development point to one thing. Cheap land is the necessity and, with the Federal Government aiding there may come a great movement from the centers of cities out to small housing developments far beyond the present suburban areas. The breadwinner of the family would have a long ride both ways each day, but the ability to purchase one's own home in the country for a payment of less than seven dollars per month per room will outweigh many another consideration.

There seems no doubt therefore that either the multi-family apartment house out on cheap land in the country, which is the economic mode of living, or the Government financed small house in the same vicinity together will lead to the same result. The movement will be from the cities to the surrounding cheaper land and will take with it the shopping district and all that goes therewith.

The answer to the question "Where is American business going?" is twofold. Business areas are changing as mechanical devices such as air-conditioning and machine production gradually replace climatic advantages and the requirement of skilled labor. Freed from these two fetters, business will go where production costs are the cheapest and we may look in the next few years for an odd migration of much that we have heretofore thought fixed.

In the same way American cities are now on the threshold of a vast movement. As long as the courthouse stays fixed, the financial district and all the business which must be nearby will remain in the present vicinity, and men will merely tear down the antiquated buildings of today and replace them with modern air-conditioned buildings on much wider streets. The hotels and theatres will have to move down and become a part of this group and one of the shopping districts will also be there. Surrounding this will be the manufacturing area, warehouses and wholesale markets, while the next circle will contain low priced apartments for those who work in the factories. Outside of this, at points on the perimeter of another great circle will be eight or ten shopping centers, and beyond them, increasingly luxurious apartments stretching far out into the countryside. With few exceptions, every existing building should be torn down and new ones erected in the proper locations within the space of a generation.

So far from being static, American business is on the verge of a great movement. Industries are moving from high cost to low cost cities, and the cities themselves are about to undergo the most disruptive movement. Certainly it seems that American business is on the move.

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